

*** NOTE: TO RETURN TO THIS PAGE, CLICK ON THE HEADER ***

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED MARCH 19, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED APRIL 9, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED APRIL 16,, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED MAY 17, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED JUNE 18, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED JULY 17, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED AUG. 21, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED SEPT. 17, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED OCTOBER 17, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED NOVEMBER 20, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED DECEMBER 18, 2007](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED JANUARY 18, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED FEBRUARY 19, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED MARCH 17, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED MARCH 21, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED APRIL 9, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED APRIL 17, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED MAY 16, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED JUNE 17, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED JULY 17, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED AUGUST 18, 2008](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR's REPORT DATED SEPTEMBER 17, 2008](#)

*** NOTE: TO RETURN TO THIS PAGE, CLICK ON THE COUNTY SEAL ***

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED MARCH 17, 2009](#)

[CLICK HERE FOR EXECUTIVE DIRECTOR'S REPORT DATED APRIL 21, 2009](#)

[illegible]

Housing Authority - County of Los Angeles

April 9, 2007

To: Each Supervisor

From: *for* Carlos Jackson, Executive Director *Boothby A. Glover*

**SUBJECT: ITEM #59, MARCH 13, 2007 BOARD AGENDA -
SUPERVISOR BURKE'S MOTION**

During the March 13, 2007 Board meeting, I reported on my recommendations and status of corrective actions to improve HUD's rating on the Housing Authority's management of the Housing Choice Voucher (Section 8) Program. At that time, Supervisor Burke introduced a motion directing me to provide the Board with monthly updates on the Housing Authority's performance in the fourteen key areas of the Section 8 Management Assessment Program (SEMAP). The report is to include a timeline for both improved performance and improved SEMAP scores which will restore a "standard performer" designation by HUD.

At your Board's request, we have produced several reports regarding the Section 8 program in recent weeks. We are currently preparing an additional report, due on April 17th, on hiring housing locators in response to Supervisor Molina's April 3rd motion. In consultation with Supervisor Burke, we are proposing to combine the two and submit a single report on April 17th. If there are no objections from other Board members, the monthly report on the SEMAP indicators will be submitted to your Board on the 17th of each month.

If you have any questions, please contact me at (323) 890-7400.

c: David E. Janssen, Chief Administrative Officer
Sachi A. Hamai, Executive Officer-Clerk of the Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

April 16, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



**SUBJECT: RESPONSE TO MOTIONS BY SUPERVISORS BURKE AND MOLINA
REGARDING SECTION 8 HOUSING PROGRAM**

This memorandum contains my reply to two motions recently adopted by your Board regarding the Section 8 program. The first was Supervisor Burke's motion of March 13, 2007 that instructed me to report monthly on the progress towards achieving a Standard rating according to HUD's Section 8 Management Assessment Program (SEMAP). Supervisor Molina's motion, approved on April 3, 2007, requested that I report on the possibility of using Housing Authority funds to contract for housing locator services.

Response to Supervisor Burke's Motion

Supervisor Burke's motion required me to provide monthly updates regarding our progress. The attached chart describes the 15 SEMAP indicators used to score program performance. A SEMAP score of 87 out of 145 is required to receive an overall rating of Standard Performer. We are projecting a score of 90 for FY 06-07, which would move the agency out of "troubled" to "standard" status. This is a significant improvement from our FY 05-06 ending score of 73, which resulted from failing scores in several of the 15 indicators.

HUD measures our SEMAP accomplishments at June 30 of each year. Last fiscal year, we did not score in five indicators - #3 Adjusted Income; #9 Annual Reexaminations; #12 Annual Inspections; #13 Lease-up; and #15 De-concentration.

- We have made major improvements in the adjusted income indicator (#3), by providing staff training, implementing quality control processes, and acquiring specialized software. These improvements, however, will not be enough to offset the errors made during the first five months of this fiscal year.
- We have completed 91% of current reexaminations (#9), and fully expect to reach 96% by June 30, 2007. This accomplishment will earn us 10 SEMAP points.
- In the current fiscal year, we were able to resolve the issues under the annual inspections indicator (#12) and will receive SEMAP points for meeting the threshold.

- Although we have significantly improved our lease-up rate (#13) by creating a pipeline of qualified applicants, we will not reach the required 95% by June 30, 2007.
- We have not succeeded in de-concentrating our families outside of "poverty" census tracts (#15), because the families generally remain in the areas in which they live, or move to other areas where rents are affordable. We are prohibited by Section 8 regulations to "steer" families to specific areas.

Following is a discussion of what we consider the three most critical indicators:

Annual Reexaminations (SEMAP Indicator #9) – On April 2, 2007, I reported that we still had 1,297 remaining delinquent annual reexaminations to be completed from the original 4,700. We expect to eliminate the delinquent backlog by the end of April 2007. We are also on target to complete 96% of all current reexaminations by June 30, 2007. We should receive the maximum number of points in this category from HUD.

Annual Inspections (SEMAP Indicator #12) – On April 2nd, I reported that our delinquency rate for annual inspections had been reduced to 8% from a high of 34%. We are now at a rate which is acceptable under HUD standards. We are currently on target to reduce our delinquencies to less than 5% by June 30, 2007, which would earn us the maximum points under this SEMAP indicator.

Lease-up (SEMAP Indicator #13) – On April 2nd, I reported our lease-up rate at 83%. Although we are increasing the number of new contracts per month, our ability to show higher voucher utilization is impacted by other factors, such as the lack of affordable housing and participant terminations. Since September 2006, we have averaged 313 new contracts per month, while terminations are averaging 312 per month. The current lease-up rate is 86%. Although we project to reach 91% by June 30, 2007, it will not be enough to earn any SEMAP points until we reach 95%.

Presently, we are processing 1,463 new leases, and another 3,378 vouchers have been issued to clients who are looking for housing. We project that the lease-up rate will be 98% by December 2007, based on the pipeline and current success rate.

The assistance of housing locators combined with the implementation of *socialserve.com* will help us achieve the 98% lease-up rate and score the maximum number of points under SEMAP.

Each Supervisor
April 16, 2007
Page Three

Response to Supervisor Molina's Motion

In my March 27, 2007 response to Supervisor Knabe's motion, I made a recommendation to contract for specialized services to assist voucher holders locate housing. As Supervisor Molina requested in her April 3, 2007 motion, we examined the Housing Authority budget for \$300,000 in available funds that could be used without impacting existing services. We have determined that, although Section 8 Administrative Fund Reserves are limited, contracting with housing locators for a one-year period may be a prudent use of the Reserves.

These funds have been set aside specifically to augment the existing temporary staff employed to support our production effort over the last six months. Given the fact that we are issuing more vouchers for people to search for housing, we are in a better position today to assist these families. Furthermore, in my April 2nd report, I indicated that we anticipate Congressional approval of a bipartisan bill that will base 2008 Section 8 funding on each housing authority's actual expenditures for the 2007 calendar year. Any steps we can take at this time to increase the number of vouchers under lease will increase our 2007 expenditures. The result may be a greater Section 8 budget allocation for us in 2008.

Housing Locators - With your Board's approval, I will execute contracts with qualified consultant firms to provide housing locator services. Housing locators will substantially increase our client success rate by teaching voucher holders how to conduct housing searches. They will work directly with voucher holders to identify available rental units, and help them complete the leasing process.

As I previously reported, our current success ratio is 2:1 - for every two vouchers we issue, only one client has a successful housing search. Voucher holders are given a maximum of 180 days (approximately 6 months) to locate suitable rental units. Fifty percent of them are unable to locate rental units, before their vouchers expire. Most have waited many years to reach the top of the Section 8 waiting list, only to lose their vouchers when they cannot find a unit within the time allotted by HUD. We will first target the assistance of the housing locators to clients whose vouchers will soon expire. At this time, we have 440 voucher holders who have 90 days or less to find housing. Without the additional assistance of housing locators, it is possible that the success ratio will change to 3:1 or 4:1, further reducing our lease-up rate.

As more clients are leased in, our lease-up rate will improve. Rent subsidy payments will increase our 2007 expenditures, which may increase HUD funding for 2008.

Each Supervisor
April 16, 2007
Page Four

The services of housing locators will augment the County-wide effort to establish socialserve.com. The Chief Administrative Office is finalizing a contract amendment to expedite the work related to the Section 8 program. Voucher holders will be able to access a listing of Section 8 property owners and other landlords who are willing to rent under the program.

Required Board Action – On May 1, 2007, your Board will be asked to approve a recommendation authorizing me to execute contracts with the housing locators. The contracts in aggregate will not exceed \$300,000. We will work with the housing locators to initiate services, no more than 30 days from the date of Board approval.

If you have questions or need clarification, please contact me at (323) 890-7400.

CJ:BG
Attachment

c: Each Deputy
David E. Janssen, Chief Administrative Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners

Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
1: Selection from Waiting List	The Housing Authority (HA) has included and followed written policies in their Administrative Plan for selecting applicants from the waiting list for admission.	15 points if 98% or > of new admissions were selected in accordance with policies	15
2: Reasonable Rent	The HA has and implements a sound written method to determine and document reasonable rent based on current rents for comparable units.	<ul style="list-style-type: none"> 20 points if 98% or > of files followed requirements; 15 points if 80%-97% 	20
3: Determination of Adjusted Income	The HA correctly determines adjusted annual income and uses appropriate utility allowance.	<ul style="list-style-type: none"> 20 points if 90% or > of files followed requirements; 15 points if 80%-89% 	0
4: Utility Allowance Schedule	The HA maintains an up-to-date utility allowance schedule.	5 points	5
5: HQS Quality Control Inspections	The HA re-inspects a sample of units drawn from recently completed Housing Quality Standard (HQS) inspections and from a cross section of neighborhoods/inspectors.	5 points	5
6: HQS Enforcement	The HA performs timely correction for Housing Quality Standard (HQS) deficiencies as required (24 hr/emergency; 30 day/non-emergency)	10 points if 98% or > units inspected w/in 30 days or with approved extension	10
7: Expanding Housing Opportunities	The HA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration; informs voucher holders of all areas where they may lease inside and outside jurisdiction; and supplies list of landlords or other parties who can help families locate units.	5 points if all is met	5
8: Payment Standards	The HA has adopted a payment standard schedule not exceeding 110% or below 90% of HUD-published Fair Market Rent.	5 points	5
9: Timely Annual Reexaminations	The HA completes a reexamination for each family at least every 12 months	<ul style="list-style-type: none"> 10 points if < 5% are more than 2 mos. overdue; 5 points if 5%-10% 	5
10: Correct Tenant Rent Calculations	The HA correctly calculates the family's share of rent to the owner.	5 points if < 2% are incorrect rent calculations	5
11: Pre-Contract HQS Inspections	Newly leased units pass Housing Quality Standard (HQS) inspection on or before the beginning date of the lease and Housing Assistance Payment (HAP) contract.	5 points if 98% of > of newly leased units pass inspection prior to contract	5
12: Annual HQS Inspections	The HA inspects each unit under contract annually	<ul style="list-style-type: none"> 10 points if < 5% of HQS inspections are late; 5 points if 5%-10% 	5

Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
13: Lease Up	The HA enters contracts for the number of allocated units for at least one year.	<ul style="list-style-type: none"> 20 points if 98% or > of allocated units leased up 15 points if 95%-97% 	0
14: Family Self-Sufficiency (FSS)	The participant enrolls participants in the FSS program and measures the number of families earning an escrow account.	<ul style="list-style-type: none"> 10 points if 80% or > enrolled and 30% have escrow account balances; 8 points if 60%-79% enrolled and 40% have escrow acct. balances 5 points if < 60% enrolled and 30% have escrow acct. balances 3 points if 60%-70% are enrolled and < 30% have escrow acct. balances 	5
15: Deconcentration	Half of all HA families with children reside in low poverty census tracts or a significant percentage of families are moving to low poverty census tracts.	5 points if all met	0
Projected Score for FY 06-07		150	90 Points

Housing Authority - County of Los Angeles

May 17, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON SECTION 8 HOUSING PROGRAM

Pursuant to Supervisor Burke's motion of March 13, 2007, this report, covering the period of April 16 – May 16, 2007, provides information on our progress towards achieving a Standard rating per HUD's Section Eight Management Assessment Program (SEMAP).

I remain optimistic that we will achieve a standard rating for FY 2006-2007. Based on our projected analysis, we anticipate earning at least 90 points out of a possible 145 SEMAP points. This will allow us to be rated "standard" for FY 06-07.

Following is an update on the three most critical indicators.

Annual Reexaminations (SEMAP Indicator #9) – The original 4,700 delinquent reexaminations were completed by May 1, 2007. In addition, 97% of the total annual reexaminations required for this fiscal year was completed. The maximum 10 points will be earned for this SEMAP indicator.

Annual Inspections (SEMAP Indicator # 2) – In my previous report and other memoranda, I indicated that on July 1, 2006, we had a 34% delinquency rate in annual inspections for 2005-2006. We are currently pacing to earn the maximum points (10). As of May 1st, 97% of 2006-07 annual inspections have been completed.

Lease-Up (SEMAP Indicator #13) – On May 1, the lease-up rate was at 86.9%; this is a slight improvement from my last reported rate of 86%. An additional 971 new leases have been approved and 1,482 voucher holders are currently seeking housing units. On May 8, 2007, your Board approved Supervisor Burke's motion to grant us authority to contract with Del Richardson Associates (DRA). They will be providing housing locator services to those with vouchers that will be expiring within 90 days. DRA will work with these clients to identify available rental units, and help them complete the leasing process. We expect DRA services to commence on June 1, 2007.

Each Supervisor
May 17, 2007
Page Two

Due to the lease-up challenges, we do not anticipate to score any points in this category. However, as I stated in my previous report, we are targeting a 98% lease-up rate by December 31, 2007. In addition to our internal efforts, the services of DRA and socialserv.com will support this goal. Landlords are registering their properties directly onto the Socialserv.com web page and 3,046 units had been registered as of May 10, 2007. Our clients will be able to access these property listings through a link labeled "Finding Housing" on our Housing Authority website as of June 1, 2007. Please recall that increasing our lease-up is critical to secure adequate program funding for 2008.

If you have any questions or need clarification, please contact me at (323) 890-7400.

CJ:ML
Attachment

c: Each Deputy
David E. Janssen, Chief Administrative Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners

Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
1: Selection from Waiting List	The Housing Authority (HA) has included and followed written policies in their Administrative Plan for selecting applicants from the waiting list for admission.	15 points if 98% or > of new admissions were selected in accordance with policies	15
2: Reasonable Rent	The HA has and implements a sound written method to determine and document reasonable rent based on current rents for comparable units.	<ul style="list-style-type: none"> 20 points if 98% or > of files followed requirements; 15 points if 80%-97% 	20
3: Determination of Adjusted Income	The HA correctly determines adjusted annual income and uses appropriate utility allowance.	<ul style="list-style-type: none"> 20 points if 90% or > of files followed requirements; 15 points if 80%-89% 	0
4: Utility Allowance Schedule	The HA maintains an up-to-date utility allowance schedule.	5 points	5
5: HQS Quality Control Inspections	The HA re-inspects a sample of units drawn from recently completed Housing Quality Standard (HQS) inspections and from a cross section of neighborhoods/inspectors.	5 points	5
6: HQS Enforcement	The HA performs timely correction for Housing Quality Standard (HQS) deficiencies as required (24 hr/emergency, 30 day/non-emergency)	10 points if 98% or > units inspected w/in 30 days or with approved extension	10
7: Expanding Housing Opportunities	The HA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration; informs voucher holders of all areas where they may lease inside and outside jurisdiction; and supplies list of landlords or other parties who can help families locate units.	5 points if all is met	5
8: Payment Standards	The HA has adopted a payment standard schedule not exceeding 110% or below 90% of HUD-published Fair Market Rent.	5 points	5
9: Timely Annual Reexaminations	The HA completes a reexamination for each family at least every 12 months.	<ul style="list-style-type: none"> 10 points if < 5% are more than 2 mos. overdue; 5 points if 5%-10% 	5
10: Correct Tenant Rent Calculations	The HA correctly calculates the family's share of rent to the owner.	5 points if < 2% are incorrect rent calculations	5
11: Pre-Contract HQS Inspections	Newly leased units pass Housing Quality Standard (HQS) inspection on or before the beginning date of the lease and Housing Assistance Payment (HAP) contract.	5 points if 98% of > of newly leased units pass inspection prior to contract	5
12: Annual HQS Inspections	The HA inspects each unit under contract annually.	<ul style="list-style-type: none"> 10 points if < 5% of HQS inspections are late; 5 points if 5%-10% 	5

Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
13: Lease Up	The HA enters contracts for the number of allocated units for at least one year.	<ul style="list-style-type: none"> • 20 points if 98% or > of allocated units leased up. • 15 points if 95%-97% 	0
14: Family Self-Sufficiency (FSS)	The participant enrolls participants in the FSS program and measures the number of families earning an escrow account.	<ul style="list-style-type: none"> • 10 points if 80% or > enrolled and 30% have escrow account balances; • 8 points if 60%-79% enrolled and 40% have escrow acct. balances • 5 points if < 60% enrolled and 30% have escrow acct. balances • 3 points if 60%-70% are enrolled and < 30% have escrow acct. balances • 5 points if all met 	5
15: Deconcentration	Half of all HA families with children reside in low poverty census tracts or a significant percentage of families are moving to low poverty census tracts.		0
	Projected Score for FY 06-07	150	90 Points

COMMUNITY DEVELOPMENT COMMISSION

June 18, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON SECTION 8
HOUSING PROGRAM**

Pursuant to Supervisor Burke's motion of March 13, 2007, this report, covering the period of May 17 – June 17, provides information on our progress towards achieving a Standard rating per HUD's Section Eight Management Assessment Program (SEMAP). I am also sharing in this report information regarding the Corrective Action Plan we received from HUD on June 4th.

As we approach the end of the fiscal year, I remain optimistic that we will achieve a Standard rating for FY 2006-2007. Based on our current performance, we anticipate earning at least 90 points out of the possible 145 SEMAP points to receive a Standard rating.

Following is an update on the three most critical indicators:

Annual Reexaminations (SEMAP Indicator #9) – As I reported last month, the original 4,700 delinquent reexaminations were completed and we remain at 97% current for the reexaminations to be completed by June 30, 2007. We should receive the maximum 10 points under this SEMAP indicator.

Annual Inspections (SEMAP Indicator #12) – We have completed 97% of total inspections for the fiscal year. As in the above item, we should receive the maximum 10 points under this SEMAP indicator.

Lease-Up (SEMAP Indicator #13) – Our lease-up rate is at 86.4%. This is a slight decrease from last month's 86.9%. In May, we executed 442 new contracts and another 261 for the period of June 1-13. A total of 3,378 new contracts have been executed for FY 2006-07. This represents three times the number of contracts generated in the prior fiscal year (see attached Exhibit).

Each Supervisor
June 18, 2007
Page Two

There are currently 1,605 clients with vouchers seeking housing units throughout the County. Of this group, 973 vouchers are due to expire within 90 days and, unfortunately, 459 have less than 30 days before expiration. These 459 clients will be required to re-apply if they are not successful in leasing a unit in the next 30 days.

The housing locator services provided by Del Richardson Associates (DRA) to assist these clients are underway. Several counseling sessions have taken place this month. As of June 12, 2007, Socialserv.com has registered 452 landlords and there are currently 668 available units. This service was activated on June 1st and the web site received 17,029 hits in a one-week period. The services of DRA and Socialserve.com are supporting our efforts to reach 98% lease-up by December 31, 2007.

On June 4, we finally received the draft Corrective Action Plan (CAP) from HUD. Since the Section 8 program was rated as a troubled program for the FY 05-06, we are required to implement a CAP. A CAP outlines specific goals, obstacles and timeframes which are developed by the Housing Authority and HUD to address our program deficiencies. I am currently in discussions with the local HUD Office to reach an agreement on a final document. I will present the final draft CAP to your respective staffs for a complete review of it.

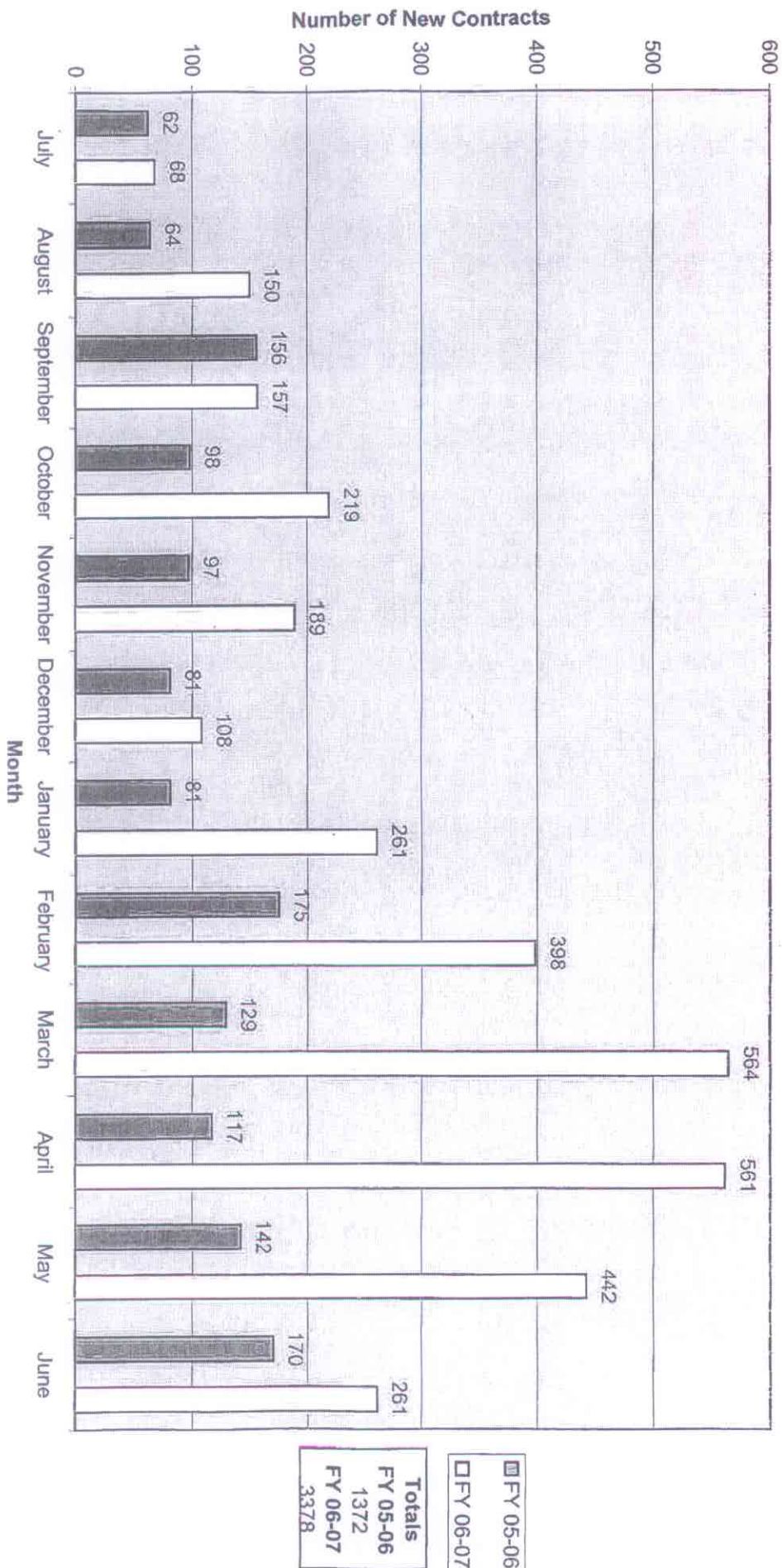
In reference to HUD's Office of Inspector General, we are still awaiting their final report regarding tenant eligibility and reexamination. They have indicated to me that the audit report may be issued in mid-July.

Please let me know if you have any questions or need additional information.

CJ:sm
Attachment

c: Each Deputy
David E. Janssen, Chief Administrative Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners

HACoLA Section 8 New Contracts FY 05-06 and 06-07



Each Supervisor
July 17, 2007
Page Two

As I previously reported, this area remains a challenge for us. We have initiated numerous actions to achieve a 95% lease-up rate by December 31, 2007. The web-based housing locator service, Socialserve.com, was initiated on June 1, 2007, along with the housing locator services contract with Del Richardson Associates. Both have been very active in providing assistance to Section 8 voucher holders.

On July 6, we submitted a revised draft CAP document to HUD. We are awaiting their comments before we can proceed in finalizing the agreement for your approval.

In reference to HUD's Office of Inspector General audits, we are awaiting their final audit regarding tenant eligibility and reexaminations. We anticipate the audit report to be issued in August.

If you have any questions or need additional information, please contact me or Margarita Lares, Manager of Assisted Housing Division, at (562) 347-4837.

CJ:ML
Attachments (2)

c: Each Deputy
David E. Janssen, Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners

EXHIBIT I

Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

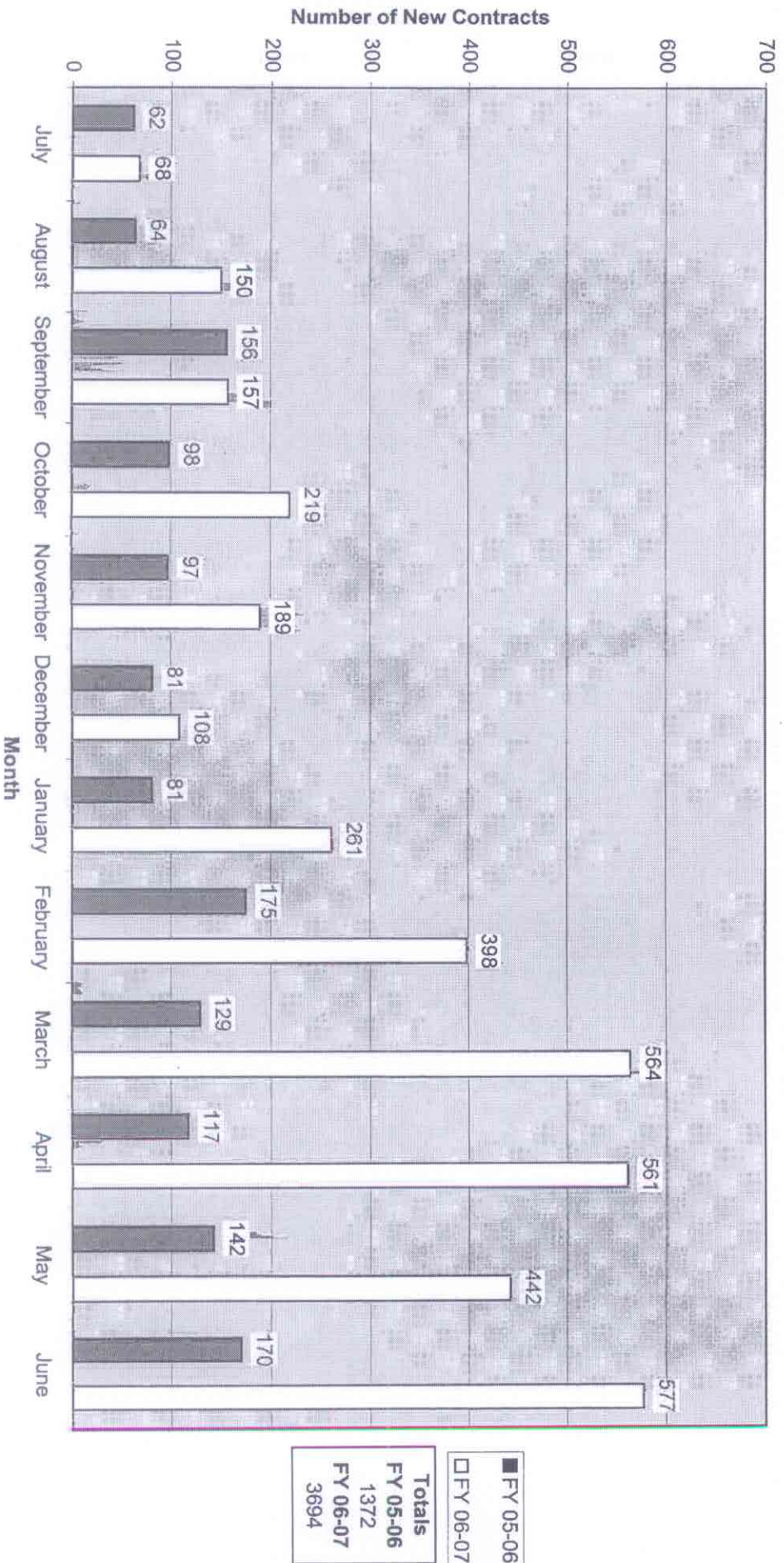
Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
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2: Reasonable Rent	The HA has and implements a sound written method to determine and document reasonable rent based on current rents for comparable units.	<ul style="list-style-type: none"> 20 points if 98% or > of files followed requirements; 15 points if 80%-97% 	20
3: Determination of Adjusted Income	The HA correctly determines adjusted annual income and uses appropriate utility allowance.	<ul style="list-style-type: none"> 20 points if 90% or > of files followed requirements; 15 points if 80%-89% 	0
4: Utility Allowance Schedule	The HA maintains an up-to-date utility allowance schedule.	5 points	5
5: HQS Quality Control Inspections	The HA re-inspects a sample of units drawn from recently completed Housing Quality Standard (HQS) inspections and from a cross section of neighborhoods/inspectors.	5 points	5
6: HQS Enforcement	The HA performs timely correction for Housing Quality Standard (HQS) deficiencies as required (24 hr/emergency; 30 day/non-emergency)	10 points if 98% or > units inspected w/in 30 days or with approved extension	10
7: Expanding Housing Opportunities	The HA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration; informs voucher holders of all areas where they may lease inside and outside jurisdiction; and supplies list of landlords or other parties who can help families locate units.	5 points if all is met	5
8: Payment Standards	The HA has adopted a payment standard schedule not exceeding 110% or below 90% of HUD-published Fair Market Rent.	5 points	5
9: Timely Annual Reexaminations	The HA completes a reexamination for each family at least every 12 months.	<ul style="list-style-type: none"> 10 points if < 5% are more than 2 mos. overdue; 5 points if 5%-10% 	5
10: Correct Tenant Rent Calculations	The HA correctly calculates the family's share of rent to the owner.	5 points if < 2% are incorrect rent calculations	5
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Section Eight Management Assessment Program (SEMAP) - Description of Indicators With FY 06-07 Projected Score

Indicator	Description	Maximum Allowable Points	HACoLA Projected Points
13: Lease Up	The HA enters contracts for the number of allocated units for at least one year.	<ul style="list-style-type: none"> 20 points if 98% or > of allocated units leased up; 15 points if 95%-97% 	0
14: Family Self-Sufficiency (FSS)	The participant enrolls participants in the FSS program and measures the number of families earning an escrow account.	<ul style="list-style-type: none"> 10 points if 80% or > enrolled and 30% have escrow account balances; 8 points if 60%-79% enrolled and 40% have escrow acct. balances 5 points if < 60% enrolled and 30% have escrow acct. balances 3 points if 60%-70% are enrolled and < 30% have escrow acct. balances 	5
15: Deconcentration	Half of all HA families with children reside in low poverty census tracts or a significant percentage of families are moving to low poverty census tracts.	5 points if all met	0
Projected Score for FY 06-07		150	90 Points

EXHIBIT 11

HACOLA Section 8 New Contracts FY 05-06 and 06-07



Housing Authority - County of Los Angeles

July 17, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT - SECTION 8 HOUSING PROGRAM

On March 13, 2007, your Board instructed me to report monthly on our efforts and progress to remove the Section 8 program from its Troubled status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of June 17 – July 17, 2007. In addition, this report provides information regarding the status of HUD's draft Corrective Action Plan (CAP) and the Office of Inspector General assessment.

Based on our performance at the close of FY 2006-2007, we anticipate earning 90 points out of the possible 145 SEMAP points to receive a Standard rating as shown in the attached Exhibit I. We have received the individual scores as of June 30, 2007 for six of the fourteen SEMAP indicators (9 thru 14). The remaining indicators will be audited by my staff and those results need to be submitted to HUD by August 31, 2007. Per Federal regulations, HUD has until October 31st to confirm our final score and issue an official performance rating for 2006-2007. We are requesting that HUD initiate their confirmation process sooner in order to receive the official status before October 31st.

Following is the year-end status on the three most critical indicators:

Annual Reexaminations (SEMAP Indicator #9) – Staff completed 99% of the reexaminations for FY 2006-2007. Based on this performance, we will earn the maximum 10 points.

Annual Inspections (SEMAP Indicator #12) – Ninety-eight (98%) of all required inspections were completed in FY 2006-2007. The maximum 10 points will be earned in this SEMAP indicator.

Lease-Up (SEMAP Indicator #13) – As of June 30, 2007, the lease-up rate was 86.4%. A minimum lease-up rate of 95% is required to receive points under this SEMAP indicator. In addition, staff executed 3,694 new contracts, which represents almost three times the number of contracts generated in the prior fiscal year (Exhibit II).

HOUSING AUTHORITY - COUNTY OF LOS ANGELES

August 21, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

A handwritten signature in black ink, appearing to read "Carlos Jackson", is written over the printed name in the "From:" field.

**SUBJECT: SECTION 8 MONTHLY PROGRESS REPORT
ITEM 59 - BOARD MEETING OF 3/13/07**

Pursuant to Supervisor Burke's motion of March 13, 2007 and pending today's Board action regarding the Corrective Action Plan and further reporting requirements, I will revise my monthly report accordingly. My September 2007 monthly report to the Board will reflect those changes.

At today's meeting, I will be presenting to the Board an update on the Section 8 program and the Corrective Action Plan for approval.

CJ:sm

Housing Authority - County of Los Angeles

September 17, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our efforts and progress to remove the Section 8 program from its "troubled" status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of August 17, 2007 – September 17, 2007 and provides information on the following:

- Corrective Action Plan (CAP) for FY 2005-2006 approved by your Board on August 21, 2007.
- The Nelrod Company advisor
- Current performance status
- Office of Inspector General (OIG) audit

SEMAP

As I reported to your Board on August 21, 2007, we anticipate earning at least 90 points out of the possible 145 SEMAP points to receive a standard rating for FY 2006-2007. This is based on our self-assessment of SEMAP indicators 1 through 8, which was completed and submitted to HUD on August 6, 2007, and HUD's score from the online reporting system for June 30, 2007, on indicators 9 through 14. As indicated to your Board on August 28, 2007, the Section 8 program would be removed from "troubled" status only if HACoLA receives a SEMAP score of at least 87 points for FY 2006-2007 and completes the tasks listed in the executed CAP.

CAP

The first group of CAP items was submitted to HUD today, on September 17, 2007, which reflects performance objectives completed through June 30, 2007. The next set of CAP documents will be submitted to HUD by October 17, 2007, and will cover performance objectives to be completed by August 31, 2007. The final CAP submission will be submitted to HUD by November 17, 2007 and will cover all remaining performance objectives. (See Attachment A)

Each Supervisor
September 17, 2007
Page 2

HUD Advisor On-Site

Following your Board's action to accept the technical assistance from HUD, we met with the HUD Advisor, the Nelrod Company, on Wednesday, September 5, 2007. Although HUD's Los Angeles Field Office staff was invited to participate in the meeting, they did not attend. Nelrod provided the HUD task list, which outlines a work plan. The task list was shared with the Board Deputies on August 28, 2007. After one week, Nelrod has identified the "critical impact priorities" that will best assist us within the scope of their task order. In addition to completing the tasks outlined in HUD's task list, Nelrod will also be providing assistance in the following areas:

1. Determination of Adjusted Income Performance
2. Lease-up
3. SEMAP Documentation for FY 07-08
4. Effective YARDI Implementation
5. Annual Re-examinations
6. Enforcement of Housing Quality Standards
7. Housing Quality Standards Annual Inspections

Nelrod is seeking approval to provide formal training to the Board of Supervisors, but their existing contract may prohibit this item. However, alternative training measures are being explored that will accommodate your respective schedule. My upcoming monthly report will contain updates on the Nelrod activities.

FY 2007-2008 Performance Status

The following is the current performance status on the three most critical indicators for FY 2007-2008:

Annual Reexaminations (SEMAP Indicator #9) – We have completed 98% of the annual reexaminations that are due through September 1, 2007.

Annual Inspections (SEMAP Indicator #12) – We have completed 99.7% of the annual inspections that are due through September 1, 2007.

Lease-Up (SEMAP Indicator #13) – Our current lease-up rate is 90.6%, representing 18,772 assisted families throughout the County. We have 1,955 pending contracts; 1,095 voucher holders are seeking housing; 2,898 applications are being processed at this time. Due to our continuing lease-up efforts, we remain on target to reach 95% lease-up by December 31, 2007.

Each Supervisor
September 17, 2007
Page 3

Pending Office of Inspector General Audit

As we reported previously, HACoLA has yet to receive the HUD Office of the Inspector General (OIG) report from the auditor, who has been working on the annual re-examination and tenant eligibility throughout the past year.

CJ:ML:sm
Attachment

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

October 17, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its "troubled" status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of September 18, 2007 - October 17, 2007 and provides information on the following:

- Corrective Action Plan (CAP) for FY 2005-2006 approved by your Board on August 21, 2007.
- HUD Advisor (The Nelrod Company)
- Current performance status
- Yardi System
- Office of Inspector General (OIG) audit

SEMAP

As I reported to your Board on August 21, 2007, we anticipate earning at least 90 points out of the possible 145 SEMAP points to receive a standard rating for FY 2006-2007. This is based on our self-assessment of SEMAP indicators 1 through 8, which was completed and submitted to HUD on August 6, 2007, and HUD's score from the online reporting system for June 30, 2007, on indicators 9 through 14. As indicated to your Board on August 28, 2007, the Section 8 program would be removed from "troubled" status only if HACoLA receives a SEMAP score of at least 87 points for FY 2006-2007 and completes the tasks listed in the executed CAP.

CAP

The second group of CAP items was submitted to HUD today, October 17, 2007, which reflects performance objectives completed through September 30, 2007.

The CAP requires that you receive formal training on the Housing Choice Voucher Program (Section 8). The Division has completed the procurement process to secure this training and certification. We are in the process of executing an Agreement with a training vendor that will accommodate your respective schedules. The Division will coordinate the training through your staff later this month as

training must be completed by November 12, 2007, in order to meet the CAP deadline.

The final CAP submission to HUD will be on November 17, 2007 and will cover all remaining performance objectives. (See Attachment A)

HUD Advisor On-Site

At the time of last month's report the HUD Advisor, the Nelrod Company, had recently arrived on site. In addition to completing the tasks outlined in HUD's task list, Nelrod will also provide assistance in the following areas:

1. Determination of Adjusted Income Performance
2. Lease-up
3. SEMAP Documentation for FY 07-08
4. Effective YARDI Implementation
5. Annual Re-examinations
6. Enforcement of Housing Quality Standards
7. Housing Quality Standards Annual Inspections

The Nelrod Company is reviewing our SEMAP to assist us in preparing for the upcoming on-site HUD confirmatory review. They have provided positive feedback on streamlining the annual reexamination process; recommendations on additional quality control measures that can be implemented; and alternative methods of documenting and tracking SEMAP performance.

FY 2007-2008 Performance Status

The following is the current performance status on the three most critical indicators for FY 2007-2008:

Annual Reexaminations (SEMAP Indicator #9) – We have completed 98.8% of the annual reexaminations that are due through October 1, 2007.

Annual Inspections (SEMAP Indicator #12) – We have completed 99.7% of the annual inspections that are due through October 1, 2007.

Lease-Up (SEMAP Indicator #13) – Our current lease-up rate is 91.2%, representing 18,896 assisted families throughout the County. We have 1,680 pending new contracts; 942 voucher holders are seeking housing; and we are concentrating on processing an additional 2,720 applications with the goal of turn-

Each Supervisor
October 17, 2007
Page 3

ing these into new contracts. Due to our continuing lease-up efforts, we remain on target to reach 95% lease-up by December 31, 2007.

Yardi System Implementation

On September 24, 2007, one week ahead of schedule, Phase I of the Yardi System implementation was completed. Implementing Phase I is a major accomplishment. Work has begun on Phase II, which is estimated to go live in April 2008.

Office of Inspector General Audit

HACoLA recently received a schedule of deficiencies, an explanation of the deficiencies and supporting documentation from the HUD Office of the Inspector General (OIG) audit of annual re-examination and tenant eligibility that has been underway throughout the past year. A total of 26 tenant files were reviewed by OIG. Staff has been instructed to correct all cited errors immediately. HACoLA will advise OIG of the corrective steps taken by October 23, 2007 via letter. OIG has informed HACoLA that its response will be included in the final audit report that will be issued in early November.

CJ:ML
Attachment

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Corrective Action Plan

The process for closure of the CAP items is to prepare the back-up materials to support compliance with the particular issue, and, either send it or, if too voluminous, make sure that it is available to the HUD staff for review. HUD staff will review the submission and after all of the information is received, a confirmatory on-site conference will take place. At that time, a final decision will be made on closure of the issue.

CORRECTIVE ACTION PLAN TIMELINE			
<i>Management Area or Indicator</i>	<i>Submittal Date 9/17/07</i>	<i>Submittal Date 10/17/07</i>	<i>Submittal Date 11/17/07</i>
Governance			√
Organization and Staffing		√	
Finance			√
Procurement	√		
MIS	√		
Program Management		√	
Indicator 1 – Selection from the Waiting List		√	
Indicator 2 – Rent Reasonableness	√		
Indicator 3 – Determination of Adjusted Income			√
Indicator 4 – Utility Allowance Schedule	√		
Indicator 5 – HQS Quality Control Inspections	√		
Indicator 6 – HQS Enforcement			√
Indicator 7 – Expanding Housing Opportunities	√		
Indicator 8 – Payment Standards	√		
Indicator 9 – Annual Reexaminations			√
Indicator 10 – Correct Tenant Rent Calculations			√
Indicator 11 – Pre-contract Housing Quality Standards (HQS) Inspections	√		
Indicator 12 – Annual Housing Quality Standards Inspections			√
Indicator 13 – Lease-up			√
Indicator 14 – Family Self-Sufficiency (FSS)			√

Housing Authority - County of Los Angeles

November 20, 2007

To: Each Supervisor
From: Carlos Jackson, Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its "troubled" status, as rated by HUD's Section Eight Management Assessment Program (SEMAP). This report covers the period of October 18, 2007 – November 16, 2007 and provides information on the following:

- Notice of SEMAP Standard Performance for FY 2006-2007
- Corrective Action Plan (CAP) for FY 2005-2006, approved by your Board on August 21, 2007.
- HUD Advisor (The Nelrod Company)
- Current Performance Status
- Office of Inspector General (OIG) Audit

SEMAP

I am pleased to report that we recently received our SEMAP letter from HUD, which states that the program received a "Standard" performance rating for FY 2006-2007 (Attachment A). Because of our prior poor performance, the overall score must be confirmed through an on-site HUD review scheduled to take place in January 2008. In addition, HACoLA must complete the tasks identified in the CAP to remove the program from "troubled" status.

CAP

The third and final group of CAP items was submitted to HUD today, which reflects performance objectives completed through November 15, 2007 (Attachment B).

Also, as you are aware, the CAP requires that the Housing Authority Commission, your staff, and Housing Advisory Commission receive formal training on the Housing Choice Voucher Program (Section 8). Last month, the Division executed a contract with Housing Telecommunication, Inc. to provide this training. By separate memorandum (November 8, 2007), instructions on accessing the self-paced, web-based training program have been provided to your staff and the training is available on-line at your convenience.

Each Supervisor
November 20, 2007
Page Two

I understand that some Commissioners have begun accessing the on-line training materials. I hope you are able to complete the training and certification by December 14, 2007. Once everyone identified in the November memorandum completes the training course, I will report this to HUD in order to close this part of the CAP.

HUD Advisor On-Site

The HUD Advisor, the Nelrod Company, continues to provide assistance in the following areas:

1. Determination of Adjusted Income Performance
2. Lease-up
3. SEMAP Documentation for FY 07-08
4. Effective YARDI Implementation
5. Annual Re-examinations
6. Enforcement of Housing Quality Standards (HQS)
7. Housing Quality Standards Annual Inspections

In addition, over the last couple weeks, the focus has been in preparing HACoLA for the FY 2006-2007 SEMAP on-site confirmatory review to be conducted by HUD.

FY 2007-2008 Performance Status

The following is the current performance status on the three most critical indicators for FY 2007-2008:

Annual Reexaminations (SEMAP Indicator #9) – We have completed 98.4% of the annual reexaminations that are due through October 1, 2007.

Annual Inspections (SEMAP Indicator #12) – We have completed 99.7% of the annual inspections that are due through October 1, 2007.

Lease-Up (SEMAP Indicator #13) – Our current lease-up rate is 92.7%, representing 19,215 assisted families throughout the County. We have 1,459 pending new contracts; 955 voucher holders are seeking housing; and we are concentrating on processing an additional 2,508 applications. Due to our continuing lease-up efforts, we remain on target to reach 95% lease-up by December 31, 2007.

Each Supervisor
November 20, 2007
Page Three

Office of Inspector General Audit

Pending Audit - HACoLA, as requested, provided a draft response to the HUD OIG preliminary audit report. HACoLA provided comments regarding each cited error from the 26 files. OIG informed HACoLA that its comments would be considered in their audit report, which is expected to be issued in December.

New Audit - OIG recently informed me that they have planned a joint audit of the City and the County of Los Angeles programs (Attachment C). This audit is to encompass a review of employee (and family member) associations to the program as a participant and/or landlord. For your information, we conducted our own review of similar issues earlier this year. All Community Development Commission employees were required to submit a disclosure statement. As a result, we had a few cases in which appropriate actions have been taken to ensure compliance.

Housing Locator Services

Del Richardson and Associates, Inc. (DRA) has successfully located housing for approximately 190 families. DRA is also conducting owner outreach to promote our program and attract more landlords. I made a presentation at an event sponsored by DRA on November 19, 2007 to assist in this effort.

Socialserve.com

The following are current statistics on the contracted Socialserve.com internet-based housing listing service. Over 680,000 housing searches since the June 1, 2007 release date; and as of November 13, 2007, 114,758 searches, 1,846 registered landlords and 1,513 available units.

CJ:ML
Attachments (3)

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners



U.S. Department of Housing and Urban Development
Office of Public Housing
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

OCT 25 2007

Mr. Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
McCaslin Business Park 2 Coral Circle
Monterey Park, California 91755

Dear Mr. Jackson:

SUBJECT: SEMAP Notification Final Score Letter

Thank you for completing your Section 8 Management Assessment Program (SEMAP) certification for the **Housing Authority of the County of Los Angeles**. SEMAP enables HUD to better manage the Section 8 tenant-based Program by identifying PHA capabilities and deficiencies related to the administration of the Section 8 Program. As a result, HUD will be able to provide more effective program assistance to PHAs.

The **Housing Authority of the County of Los Angeles** final SEMAP score for the fiscal year ended **6/30/2007** is **62**. The following are your scores on each indicator.

Indicator 1 Selection from Waiting List (24 CFR 982.54(d)(1 and 982.204(a)	15
Indicator 2 Reasonable Rent (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507	20
Indicator 3 Determination of Adjusted Income (24 CFR part 5, subpart F and 24 CFR 982.516)	0
Indicator 4 Utility Allowance Schedule (24 CFR 982.517)	5
Indicator 5 HQS Quality Control (24 CFR 982.405(b))	5
Indicator 6 HQS Enforcement (24 CFR 982.404)	0
Indicator 7 Expanding Housing Opportunities	5
Indicator 8 Payment Standards (24 CFR 982.503)	5
Indicator 9 Timely Annual Reexaminations (24 CFR 5.617)	10
Indicator 10 Correct Tenant Rent Calculations (24 CFR 5.617)	5
Indicator 11 Pre-Contract HQS Inspections (24 CFR 982.305)	5
Indicator 12 Annual HQS Inspections (24 CFR 982.405(a))	10
Indicator 13 Lease Up	0
Indicator 14 Family Self Sufficiency (24 CFR 984.105 and 984.305)	5
Indicator 15 Deconcentration Bonus	NA

Your overall performance rating is **Standard**. Your PHA has earned a total of **90** points out of **145** possible points.

We have recorded that your PHA has been rated zero on at least one of the performance indicators. Please take the necessary corrective action to ensure compliance with program rules. For each zero rating, you must send HUD a written report describing the corrective action taken within 45 calendar days of the date of this letter or HUD may require a written corrective action plan. HUD regulation 24 CFR 985.104 states a PHA may appeal its overall performance rating to HUD by providing justification for the appeal reasons.

Thank you for your cooperation with the SEMAP process. If you have any questions, please contact Theodore W. Skonos, Public Housing Revitalization Specialist at (213) 534-2614.

Sincerely,



K.J. Brockington
Director
Office of Public Housing

Each check mark in the Corrective Action Plan Timeline represents the completion date of all tasks within a Management Area or Indicator.

CORRECTIVE ACTION PLAN TIMELINE				
Management Area or Indicator	Submittal/ Closure Date 9/17/07	Submittal/ Closure Date 10/17/07	Submittal/ Closure Date 11/17/07	Submittal/ Closure Date 12/18/07
Governance				√
Organization and Staffing		√		
Finance			√	
Procurement	√			
MIS	√			
Program Management		√		
Indicator 1 – Selection from the Waiting List		√		
Indicator 2 – Rent Reasonableness	√			
Indicator 3 – Determination of Adjusted Income			√	
Indicator 4 – Utility Allowance Schedule	√			
Indicator 5 – HQS Quality Control Inspections	√			
Indicator 6 – HQS Enforcement			√	
Indicator 7 – Expanding Housing Opportunities	√			
Indicator 8 – Payment Standards	√			
Indicator 9 – Annual Reexaminations			√	
Indicator 10 – Correct Tenant Rent Calculations			√	
Indicator 11 – Pre-contract Housing Quality Standards (HQS) Inspections	√			
Indicator 12 – Annual Housing Quality Standards Inspections			√	
Indicator 13 – Lease-up			√	
Indicator 14 – Family Self-Sufficiency (FSS)			√	

Housing Authority - County of Los Angeles

December 18, 2007

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: STATUS OF SECTION 8 PROGRAM

As I had previously reported, the Section 8 Program was designated by the U.S. Department of Housing and Urban Development (HUD) as a Troubled program by the Section Eight Management Assessment Program (SEMAP) for FY 2005-2006. It is my pleasure to report that significant progress has been achieved in a short period towards re-establishing the Section 8 Program as a viable 'non-troubled' performer.

In addition, this memorandum will outline the areas of significant progress and the remaining issues and concerns that are pending, including the implementation of the HUD Corrective Action Plan (CAP) approved by your Board on August 21, 2007.

Since my initial report to your Board on February 17, 2007 that outlined the issues affecting the Section 8 Program, several noteworthy steps have been taken to eradicate those issues and re-establish HACoLA's Section 8 Program as an effective performer. These steps have culminated with the HUD designated Standard rating (subject to a HUD confirmatory), issued to HACoLA on October 25, 2007, as well as significant improvement in our SEMAP score to 90 points for FY 2006-07. We are striving to achieve a score of 113 points for FY 2007-08.

The following identifies the major improvements made over the past year.

- **Lease-up** – We are currently pacing at a 94% rate, and are optimistic that we will achieve our goal of a 95% lease up rate by the end of December 2007. Our lease-up rate increased 9% from FY 2005-06, which resulted in 4000+ new contracts. Our goal for FY 2007-08 is a 98% lease-up rate.
- **Annual Re-examinations and Inspections** - We have remained consistent in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As I previously reported, the delinquency rate for each category was high, 14% and 34% respectively, and our current rates are 1% and 2% respectively.

Each Supervisor
December 18, 2007
Page Two

- **New Software Information System (YARDI)** - The agency procured and received your Board approval to purchase new software to serve the Housing Authority's two major programs- Section 8 and Public Housing. We are on schedule with the implementation of YARDI, with Section 8 going live, as planned, in April 2008.
- **Corrective Action Plan-** In previous reports, I informed the Board that the CAP would be completed by December 2007 and reporting to HUD would be done in three phases. We have completed and submitted three status reports; the only remaining item is the formal training required for your Board, the Housing Advisory Commission, and your senior staff that interacts with HACoLA on the Section 8 Program. As of this date, we are awaiting HUD's response to our submittals on September 17th, October 17th, and November 17th.
- **Socialserve.com-** HACoLA has implemented Socialserve.com, developed to assist our voucher holders in identifying available rental units. This effort resulted in the creation of a Los Angeles County housing web page (Housing.LACounty.Gov; linked directly with Socialserve.com). This effort was implemented to provide continued assistance with the rental and leasing process. From June 1, 2007 through November 2007, Socialserve.com assisted with 677,694 housing searches.
- **Staff Reorganization and Training** - Significant efforts were made to identify an organizational structure and new business processes to reflect the workflow demands of the program. The initial reorganization was made on November 1, 2006, with additional adjustments made in October 2007. Furthermore, certificated training programs for the Housing Choice Voucher Program and Housing Quality Standards have been provided to relevant staff to re-enforce and improve work quality.
- **Call Center** - A call center with a staff of 12 was implemented in October 2007. Its purpose is to improve our customer service by providing more timely responses to our clients' questions and concerns and enable them to speak to a live person immediately. Furthermore, its implementation was initiated to specifically address the concern of our response time in returning client calls. Our Call Center currently receives an average of 3,000 calls per week.

HACoLA's success is due to the commitment of staff, and the support of our efforts from the Board of Supervisors, their staff, and members of the Housing Advisory Commission.



Attachment C

U.S. Department of Housing and Urban Development

Office of Inspector General

Region IX

611 West Sixth Street, Suite 1160
Los Angeles, California 90017-3101
(213) 894-8016
Fax (213) 894-8115

November 2, 2007

Mr. Carlos Jackson
Executive Director
Housing Authority of the County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Dear Mr. Jackson,

This is to notify you that HUD's Office of Inspector General is planning to perform a joint audit of the Housing Authority of the City of Los Angeles and the Housing Authority of the County of Los Angeles' Section 8 Programs. The objective of our review will be to determine whether Section 8 properties owned by authority employees are managed in accordance with HUD rules and regulations.

Ms. Pamela Martin of my staff will contact you within the next two weeks to arrange an entrance conference date and to begin the audit work. To assist us in initiating this effort, we request that you make the following available at the entrance conference:

- Current organizational chart,
- Employee listing,
- List of individuals within your organization who you know own or have interest in Section 8 properties, and
- Electronic copy of the HAP register.

Should you have any questions, please contact Vincent Mussetter, Assistant Regional Inspector General for Audit, or Pamela Martin, at (213) 894-8016. Thank you for your cooperation in this matter.

Sincerely,

Joan Hobbs
Regional Inspector General for Audit

cc: Rudolf Montiel, Executive Director, HACLA
K. J. Brockington, Director, Office of Public and Indian Housing, 9DPH

Remaining Issues and Concerns

- **HUD Audits** – HACoLA is awaiting HUD's results of our tenant eligibility audit. We anticipate significant findings within this area for FY 2003-04. This may include amounts of unsupported costs that may be required to be repaid. However, it is important to note that only 52 files were audited and findings were relevant to only 25 of those files. Additionally, deficiencies that were reported to HACoLA regarding income calculations have been addressed and corrected. Beginning January 2007 HACoLA initiated a quality control process to address those deficiencies and provide the necessary training to appropriate staff.
- **Confirmatory Review** – HUD has informed HACoLA that their confirmatory review of our SEMAP and CAP submittal may not occur until February 2008.
- **OIG Joint Audit of City and County of Los Angeles**- The purpose of the joint audit pertains to potential conflicts of interests between the City and County of Los Angeles. HUD's review will determine whether Section 8 properties owned by authority employees are managed in accordance with HUD rules and regulations.
- The HUD technical advisor, the Nelrod Company, has issued a report to HUD on December 14, 2007 containing recommendations for further improvements in the administration of the Section 8 program. In a forthcoming memorandum, I will provide your Board with the report and a brief summary of their recommendations. In brief, their report was favorable and includes constructive recommendations to improve the management of this program. NelRod provided technical assistance within the following areas:
 - 1.) Determination of Adjusted Income Performance
 - 2.) Lease-up
 - 3.) SEMAP Documentation for FY 07-08
 - 4.) Effective YARDI Implementation
 - 5.) Annual Re-examinations
 - 6.) Enforcement of Housing Quality Standards (HQS)
 - 7.) HQS Annual Inspections

Each Supervisor
December 18, 2007
Page Four

Administrative Budget

With the assistance of various management, consulting, technological, and financial resources, HACoLA has enhanced the capacity of the Assisted Housing Division's administration of the Section 8 program to fully comply with HUD requirements.

Planning for the FY 2008-09 is currently underway, however, with the need to maintain a high level of excellence in service and operations this creates a challenging financial scenario for our agency. Without additional revenue sources or a change in administrative funding calculations, the Assisted Housing Division may encounter difficulties in maintaining a high quality program. At this time, neither HUD nor Congress has proposed a change to provide adequate funding to Public Housing Authorities' earned administrative fees.

Given these circumstances, the Board of Commissioners may be called upon to support HACoLA in our work with County advocacy teams to develop legislation to revise the methodology used to calculate earned administrative fees.

CJ:LO:sm

c: Lari Sheehan, Chief Deputy Executive Officer
Each Deputy
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

January 18, 2008

To: Each Supervisor

From: Carlos Jackson, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between December 18, 2007 and January 17, 2008, and provides information on the following:

- The Current Status of:
 - Lease-up
 - Annual Re-Examinations
 - Inspections
 - Corrective Action Plan
- The Impact of Socialserve.com
- The Impact of the Call Center
- The HUD Audit Report
- The Confirmatory Review
- The OIG Joint Audit for the City and County of Los Angeles

Lease-up –

I am delighted to report that as of January 1, 2008, our lease-up rate improved to 95.1%, which met our goal of 95% by the end of 2007. As a result of this accomplishment, 6,511 new families have been added to the Section 8 program since 2006, representing a total of 19,714 assisted families throughout the County. Additionally, we are projecting to reach a lease-up rate of 98% by June 30, 2008. This projection is based on the total number of new contracts to be finalized and the number of individuals with vouchers searching for housing.

Due to this increase in lease-up, we are planning to stop processing applications effective January 22, 2008. This action is to avoid any over-leasing issues and/or negative financial impact to the program. Approximately 3,100 applicants will be informed of this action in a letter dated January 22, 2008. The letter will also inform them that their application will remain active and will be served based upon the order of the receipt of their application.

Annual Re-examinations and Inspections –

We continue to remain current in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As of January 1, 2008, our rates were 1.4% and .2% for reexaminations and inspections, respectively.

Each Supervisor
January 18, 2008
Page Two

Corrective Action Plan –

The CAP was completed in December 2007. The only remaining item is the formal training required for your Board, the Housing Advisory Commission, and your senior staff that interacts with HACoLA on the Section 8 Program; six individuals have yet to complete the training. Additionally, as of the date of this memorandum, we are awaiting HUD's response to our submittals on September 17, October 17, and November 17.

Socialserve.com-

Socialserve.com continues to play a crucial role both with our voucher holders housing search efforts and our landlords. For a one-month period between December 15, 2007 and January 15, 2008, Socialserve.com averaged 3,209 total listings, 2,257 participating landlords, and 99,824 housing searches.

Call Center –

Our Call Center continues to average approximately 3,000 calls per week, with an actual total of 12,871 for the period between December 19, 2007 and January 16, 2008, translating into a 97% success rate (calls handled) of the total calls received. For your information, the average wait time is 1 minute, 47 seconds.

Confirmatory Review –

HUD has informed HACoLA that their confirmatory review of our SEMAP certification for the fiscal year ending 06-07, submitted on August 6, 2007, may not occur until February or March 2008.

OIG Joint Audit of the City and County of Los Angeles-

Limited progress has been made due to the dual nature of this audit, which is examining potential conflicts of interests between the City and County of Los Angeles. HUD's review will determine whether Section 8 properties owned by Authority employees are managed in accordance with HUD rules and regulations. Currently, OIG is working with HACLA and will contact us when they are prepared to proceed with HACoLA.

CJ:LO:dt

c: Lari Sheehan, Chief Deputy Executive Officer
Each Deputy
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

February 19, 2008

To: Each Supervisor
From: Carlos Jackson, Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8
HOUSING PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). This report covers the period between January 18, 2008 and February 17, 2008, and provides information on the following:

- Lease-up
- Annual Re-examinations
- Inspections
- Corrective Action Plan
- The impact of Socialserve.com
- The impact of the Call Center
- HUD's OIG Audit Report
- The Confirmatory Review
- OIG Joint Audit of the City and County of Los Angeles
- YARDI update

Lease-up

As of February 1, 2008, our lease-up rate improved to 95.2%, representing a total of 19,760 assisted families throughout the County. Additionally, we are projecting to reach a lease-up rate of 98% by June 30, 2008. This projection is based on the total number of new contracts to be finalized and the number of individuals with vouchers searching for housing.

Due to this increase in lease-up, we have stopped processing applications effective January 22, 2008. This action is to avoid any over-leasing issues and/or negative financial impact to the program. Approximately 3,100 applicants were informed of this action in a letter dated January 22, 2008. The letter also informed them that their application will remain active and will be served based upon the order of receipt of their application.

Each Supervisor
February 19, 2008
Page Two

Annual Re-examinations and Inspections

We continue to remain current in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As of February 1, 2008, our rates were 1% and 3% for annual re-examinations and inspections, respectively.

Corrective Action Plan

The CAP was completed in December 2007. As I outlined in my February 6, 2008 memorandum to you, the only remaining item is the formal training required for your Board, the Housing Advisory Commission, and your senior staff that interacts with HACoLA on the Section 8 program. Six individuals have yet to complete the training. Additionally, HUD has closed fourteen items for the September 17th submittal; we are awaiting their response to the remainder of the items for the September 17th submittal, along with their response to the October 17th and November 17th submittals.

Socialserve.com

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between January 16 and February 13, 2008, Socialserve.com averaged 3,587 total listings; 2,519 participating landlords; and 111,675 housing searches.

Call Center

Our Call Center is currently averaging approximately 3,600 calls per week, up from 3,000 calls per week during our last reporting period, with an actual total of 14,450 for the period between January 17, 2008 and February 15, 2008. For your information, the average wait time for the stated period was 1 minute, 56 seconds.

HUD OIG Audit

The HUD OIG report was published on HUD's website on February 12, 2008. It includes our response to their findings, along with the results of the Nelrod Company's sixteen-week, on-site review.

Confirmatory Review

HUD has informed HACoLA that their confirmatory review of our SEMAP certification for the fiscal year ending 2006-07, submitted on August 6, 2007, may not occur until March 2008.

Each Supervisor
February 19, 2008
Page Three

OIG Joint Audit of the City and County of Los Angeles

Limited progress has been made due to the dual nature of this audit, which is examining potential conflicts of interest between the City and County of Los Angeles. HUD's review will determine whether Section 8 properties owned by Authority employees are managed in accordance with HUD rules and regulations. Currently, OIG is working with HACLA and will contact us when they are prepared to proceed with HACoLA.

YARDI Status

We have remained on schedule with the implementation of YARDI. Although our original plan was to go live on April 1st, I have elected to delay by one month to ensure that staff have received extensive and comprehensive training on the YARDI system. This should allow staff to become more familiar with the YARDI system and minimize future data errors. Also, the extended training will ensure a smooth transition.

Please feel free to contact me if you have questions or need additional information.

CJ:LO:sm

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

March 17, 2008

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director

SUBJECT: **MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM**

On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between February 18, 2008 and March 17, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations and Inspections
- The Impact of Socialserve.com
- The Impact of the Call Center
- Corrective Action Plan
- The Confirmatory Review
- The HUD OIG Audit Report
- YARDI Status Update
- The OIG Joint Audit for the City and County of Los Angeles
- Senate Section 8 Voucher Reform Act

Lease-up

As of March 1, 2008, our lease-up rate improved to 95.6%, representing a total of 19,841 assisted families throughout the County. We previously reported that our goal is reach 98% lease up by June 30, 2008. Because we are currently utilizing over 100% of our allocated subsidy funds we will complete the requests for new contracts in receipt, and then determine the additional number that can be issued based on available funding.

Annual Re-examinations and Inspections

We continue to remain current in maintaining our percentage rate at the level to achieve the maximum points for the SEMAP review. As of March 1, 2008, our rates were 1% and 3% for annual reexaminations and inspections, respectively.

Each Supervisor
March 17, 2008
Page 2 of 3

Socialserve.com

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between February 17 and March 16, 2008, Socialserve.com averaged 3,867 total listings, 2,719 participating landlords, and 121,454 housing searches.

Call Center

Our Call Center is currently averaging approximately 3,500 calls per week, with an actual total of 14,127 for the period between February 18, 2008 and March 14, 2008. For your information, the average wait time for the stated period was 2 minute, 2 seconds.

Corrective Action Plan

HUD has informed us that they concluded their review of the documents we submitted to support completion of the items on the corrective action plan. However, they cannot move forward with providing a formal response because not all board members have completed the training.

Confirmatory Review

HUD has informed HACoLA that their confirmatory review of our SEMAP certification for the fiscal year ending 06-07, submitted on August 6, 2007, may not occur until April 2008.

The HUD OIG Audit

Based on our continued review of the citations cited for recommendations (1J) to withhold 10% of administrative fee starting in fiscal year 2008, and (1M) to reimburse HUD \$3.6M with outside counsel, we are planning to challenge these recommendations. This issue will be addressed in our formal response due to HUD on March 22.

Despite our disagreement with recommendation 1J, we have contracted with the Bronner Group to conduct an independent review of the YARDI software system implementation.

We are currently recruiting for the Assisted Housing Division director position. The position will be advertised in major housing authority journals as of March 24.

YARDI Status

As I reported to you on February 19, 2008, we have decided to postpone the go live date to May 1, 2008. This decision was made to provide staff with additional training and compliance review to support a smooth transition.

Each Supervisor
March 17, 2008
Page 3 of 3

OIG Joint Audit of the City and County of Los Angeles

The on-site review of HACoLA's files has been completed. The exit conference is pending until completion of the on-site review at the Housing Authority of the City of Los Angeles.

Senate SEVRA

The Senate version of SEVRA was released on March 3, 2008. It incorporates several of the recommendations housing advocates lobbied for as a result of the House version, which was passed July 12, 2007.

Some of the major provisions the bill is proposing include: the authorization of renewal of all existing vouchers, as well as authorizing the issuance of 100,000 additional vouchers for fiscal years 2009-2013. It would simplify the inspections process and income review process, as well as eligibility requirements based on assets and income, and includes in the administrative fee the cost of issuing new vouchers as well as an amount for the cost of FSS coordinators.

Overall, HACoLA is in support of the Senate version of SEVRA, as it would help improve program performance.


Please feel free to contact me if you have any questions or need additional information.

CJ:MLH

C: William T. Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

March 21, 2008

TO: Each Supervisor 
FROM: Carlos Jackson, Executive Director

**SUBJECT: ADDENDUM TO THE MARCH 17, 2008 MONTHLY PROGRESS
REPORT ON THE SECTION 8 PROGRAM**

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This addendum reflects information received after the submittal date for our March progress report.

Corrective Action Plan (CAP)

HUD has reported in a letter (attached) received on March 19, 2008, that all pending items for the Corrective Action Plan (CAP) have been satisfactorily closed, with the exception of:

- Completion of the Housing Choice Voucher (HCV) training by the Board of Commissioners;
- Complete conversion to the YARDI software system.

Confirmatory Review

The letter also indicates a SEMAP score of 62 for FY 2006-2007. The score as stated is in percentage; therefore, our score was 90 out of a maximum of 145 points. This number is what we had previously reported to the Board.

We anticipate that the on-site confirmatory review of our SEMAP score for FY 2006-2007 will take place in the immediate future.

YARDI Software System Implementation

As HACoLA nears the final stage of the transition to the new software system, which is anticipated to go live on May 1, program operations will be impacted due to training and testing schedules. All staff will be required to attend a one-week comprehensive training during a 5-week rotation beginning on March 31. HACoLA's application processing and inquiry response time will temporarily increase during this period.

Each Supervisor
March 21, 2008
Page 2

Additionally, from April 24 through April 30, HACoLA staff will have limited "read only" access to participant records while data is being converted to the new YARDI system.

Please contact me should you have any questions or need additional information.

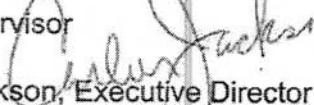
CJ:LO:dt

Attachment

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners

Housing Authority - County of Los Angeles

April 9, 2008

To: Each Supervisor 
From: Carlos Jackson, Executive Director

SUBJECT: SECTION 8 CORRECTIVE ACTION PLAN

The purpose of this memorandum is to provide you with the current status on the Housing Authority's Corrective Action Plan for FY 2005-2006.

On August 21, 2007, the Corrective Action Plan (CAP) was executed by your Board, which required training for all Housing Authority Board of Commissioners. In November 2007, the online training was established for all individuals. The Housing Authority has continued to update you on the status of this item on a monthly basis. As of today, the Housing Authority is unable to bring closure to this item due to the following officials that have not completed the training:

Supervisor Don Knabe
Phillip Dauk, Housing Commissioner
Supervisor Michael Antonovich
Paul Novak, Planning Deputy, 5th District

On March 11, 2008, the Housing Authority received attached letter from HUD requesting closure for this item. It is imperative that closure be brought to this item immediately.

CJ: DA

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer



U.S. Department of Housing and Urban Development
Office of the Public Housing Director
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

MAR 11 2008

Mr. Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670

Dear Mr. Jackson:

Please see attached the Housing Authority of the County of Los Angeles' Fiscal Year SEMAP Corrective Action Plan, which reflects all items closed. We appreciate your cooperation and diligence during this process.

While we agreed to close your CAP, there are two issues that require additional information to be submitted to my office. Thus, please continue to provide monthly updates for the Commissioners Development Training until all participants complete the assigned training. Also, provide monthly progress reports on the conversion to your new system, Yardi Voyager, until the transition is complete.

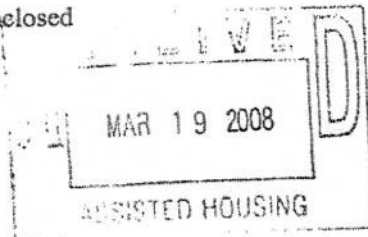
As you know, your agency's Fiscal Year 2007 SEMAP score is 62. Thus, in accordance with 24 CFR 985.101, to remove your agency from troubled status, we will conduct a SEMAP Confirmatory Review. Another letter will be issued providing you with the date of that review.

If you have any questions, please contact Theodore W. Skonos, Public Housing Revitalization Specialist, at (213) 534-2614.

Sincerely,

K. J. Brockington
Director
Office of Public Housing

Enclosed



Housing Authority - County of Los Angeles

April 17, 2008

To: Each Supervisor
From: Carlos Jackson, Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). This report covers the period between March 18, 2008 and April 16, 2008, and provides information on the following:

- Lease-up
- Annual Reexaminations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The HUD OIG Audit Report
- The Confirmatory Review
- The OIG Joint Audit for the City and County of Los Angeles
- YARDI Status Update

Lease-up

As of April 1, 2008, our lease-up rate was 95.8%, representing a total of 19,883 assisted families throughout the County. We are planning, in the immediate future, to begin processing applications that were placed on hold in January. Additionally, we will begin pulling names from the wait list on July 1, 2008. Details of this will be provided to your office in a separate memorandum.

Annual Re-examinations and Inspections

We are currently at a 0% delinquency rate for our annual reexaminations, and at a 2% delinquency rate for our inspections. This is not only an improvement from our previous report, but qualifies us for the maximum points under SEMAP.

Corrective Action Plan

As I previously reported to you on March 21, 2008, the Los Angeles area HUD office cannot issue a formal response until all Board members have completed their training.

Each Supervisor
April 17, 2008
Page Two

Socialserve.com

Socialserve.com continues to play a crucial role connecting our voucher holders with our participating landlords. For a 28-day period between March 18 and April 15, 2008, Socialserve.com averaged 4,230 total listings, 2,958 participating landlords, and 110,119 housing searches.

Call Center

Our Call Center is currently averaging approximately 4,240 calls per week, with an actual total of 16,960 for the period between March 17, 2008 and April 15, 2008. For your information, the average wait time for the stated period was 1 minute, 49 seconds.

The HUD OIG Audit

We submitted our formal response to the HUD OIG audit on March 22, 2008. Additionally, we have contracted with the Bronner Group to conduct an independent review of the YARDI system to assure proper implementation and data transfer.

HACoLA is currently recruiting for the Division director position. The position was advertised in major housing authority journals, with an application deadline of April 18th.

Confirmatory Review

We still have not received notification from HUD of when their confirmatory review of our SEMAP certification for the fiscal year ending June 30, 2007, submitted on August 6, 2007, will occur.

OIG Joint Audit of the City and County of Los Angeles

The on-site review of HACoLA's files has been completed. The exit conference and report are pending until completion of the on-site review at HACLA.

YARDI Status

On March 24, 2008, I approved a recommendation made by the YARDI project management team to extend the YARDI "go-live" date to July 1, 2008.

The decision to do this was motivated by competing priorities within the Assisted Housing Division. The months of April and May are key to Section 8 Management Assessment Program (SEMAP) production for fiscal year ending June 30, 2008.

Due to the fact that what remains to be completed on the YARDI project is the staff comprehensive training and conversion of data from the old to the new system, I

Each Supervisor
April 17, 2008
Page Three

did not want to jeopardize the production of new contracts and annual reexaminations, which must be completed and submitted to HUD by June 1.

The Bronner Group, currently conducting an independent review of the YARDI implementation, concurred with this decision.

Please contact me if you have any questions or need additional information.

CJ:LO

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk, Board of Supervisors
Los Angeles County Housing Commissioners
Each Deputy

Housing Authority - County of Los Angeles

May 16, 2008

To: Each Supervisor

From: Carlos Jackson, Executive Director

SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between April 17, 2008 and May 14, 2008, and provides information on the following:

- Current SEMAP status
- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The HUD OIG Audit Report
- The Confirmatory Review
- YARDI Status Update

Current SEMAP Status

Based on the lease-up, annual re-examinations, and inspections progress listed below, we anticipate a score of 120 points, standard rating, for FY 2008. This is an improvement from 90 points, standard rating, earned for FY 2007.

Lease-up

As of May 1, 2008, our lease-up rate was 96.1%, representing a total of 19,994 assisted families throughout the County. HACoLA has begun processing applications that were placed on hold in January to avoid negative financial repercussions, and will begin pulling names from our waiting list on July 1, 2008 to reach a lease-up rate as close to 100% as possible, with the goal of securing increased funding for 2009.

Annual Re-examinations and Inspections

We are currently at a 0% delinquency rate for our annual re-examinations, and at a 2% delinquency rate for our inspections.

Corrective Action Plan

As previously reported to you on March 21, 2008, the Los Angeles area HUD office cannot issue a formal response on the Corrective Action Plan until all Board members have completed their training. To date, two members are pending completion of the training.

Each Supervisor
May 16, 2008
Page Two

Socialserve.com

Socialserve.com continues to increase the participation of both tenants and landlords. For a 28-day period between April 16 and May 14, 2008, Socialserve.com averaged 4,628 total listings, 3,186 participating landlords, and 118,803 housing searches.

Call Center

Our Call Center has also shown an increase in participation, averaging approximately 4,389 calls per week (a 4% increase over last month), with an actual total of 17,555 for the period between April 16, 2008 and May 14, 2008. For your information, the average wait time for the stated period was 1 minute, 48 seconds.

The HUD OIG Audit

We submitted our formal response to the HUD OIG audit on March 22. We are awaiting their response, which must be completed by June 8, 2008.

A candidate has been selected for the Division Director position after a national recruitment process. Our current Acting Director, Margarita Lares, has been selected to serve as the new Director for the Assisted Housing Division.

Confirmatory Review

HACoLA is waiting for HUD to schedule a closing date for the confirmatory review of our SEMAP certification for fiscal year ending 06-07.

YARDI Status

On March 24, 2008, I approved a recommendation made by the YARDI project management team to extend the YARDI "go-live" date to July 1, 2008. We remain on track for the deadline.

Please contact me if you have any questions or need additional information.

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Los Angeles County Housing Commissioners
Each Deputy

Housing Authority - County of Los Angeles

June 17, 2008

To: Each Supervisor

From: Carlos Jackson, Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This report covers the period between May 15, 2008 and June 13, 2008, and provides information on the following:

- HUD Audit Update
- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- Socialserve.com
- Call Center
- The Confirmatory Review
- YARDI Status Update

HUD OIG Audit Update

We finally received a response to our March 22nd reply to the HUD Audit. Their June 13th letter is attached. The letter focuses primarily on administrative items we have addressed and HUD is asking for further documentation by September 30, 2008.

However, as noted in the letter, no decision has been made on the major items: repayment of \$3.6 million; replacement of the Executive Director; and future withholding of administrative funds. We do not know when a decision will be made regarding these recommendations.

To further support bringing a final resolution to this Audit, we have retained the services of Gregg Fortner to consult on Housing Authority issues pertaining to Public Housing and Section 8. He has considerable professional Housing Authority experience. In the recent past, Mr. Fortner served for 7 years as Executive Director of the City of San Francisco Housing Authority.

Each Supervisor
June 17, 2008
Page Two

Prior to the San Francisco appointment, he was the Executive Director of the Sacramento Housing Authority for 3 years. His professional background includes management experience with the Community Development Commission and the City of Los Angeles Housing Authority.

HUD has informed HACoLA in a letter dated May 22, 2008 that there will be a change in servicing of HACoLA's Section 8 Program and our SEMAP Confirmatory Review. The Cleveland, Ohio HUD office will now perform all servicing for our program.

Lease-up

As of June 1, 2008, our lease-up rate was 96.9%, representing a total of 20,106 assisted families throughout the County. We expect to earn the maximum SEMAP score of 20 points for this indicator. In addition, HACoLA has begun processing applications that were placed on hold in January and will begin pulling names from our waiting list on July 15, 2008 (a corrected date).

Annual Re-examinations and Inspections

We remain constant at a 0% delinquency rate for our annual re-examinations, and at a 2% delinquency rate for our inspections. This qualifies HACoLA for the maximum points under SEMAP, keeping us in line to reach our projection of 120 points (a standard rating) for FY 2008, 30 points above the FY 2007 level.

Corrective Action Plan

To date, a member of the Board and a Housing Advisory Commissioner have not completed the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

SocialServe.com

SocialServe.com continues to increase the participation of both tenants and landlords. For a 28-day period between May 15 and June 12, 2008, SocialServe.com averaged 4,932 total listings (a 7% increase over May), 3,376 participating landlords (a 6% Increase), and 123,433 housing searches (a 4% increase).

Call Center

Our Call Center continues to increase in participation, averaging approximately 4,889 calls per week (a 10% increase over last month), with an actual total of 19,556 for the period between May 15, 2008 and June 12, 2008. For your information, the average wait time for the stated period was 1 minute, 41 seconds.

Each Supervisor
June 17, 2008
Page Three

HUD's On-Site Confirmatory Review

As you were previously notified by e-mail (attached), HACoLA's confirmatory review of our SEMAP certification for fiscal year ending 06-07 began this week.

YARDI Status

HACoLA remains on track for the July 1, 2008 implementation deadline. A rotational training schedule for staff began June 1, and will continue through the end of the month.

Please contact me if you have any questions or need additional information.

CJ:LO:dt
Attachments

c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



U.S. Department of Housing and Urban Development
Office of the Public Housing Director
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

JUN 13 2008

Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670

Dear Mr. Jackson:

SUBJECT: Office of Inspector General for Audit
Audit Report No. 2008-LA-1007: The Housing Authority of the County of Los Angeles Section 8 Housing Choice Voucher Program

On February 8, 2008 the Office of Inspector General for Audit issued the subject audit report to the Housing Authority of the County of Los Angeles (HACoLA). The audit report contains one finding that is detailed below.

Finding One: The Authority Did Not Perform Annual Reexaminations in Accordance with HUD Rules and Regulations.

Recommendations

- 1A. Direct the Authority to reimburse its program \$33,464 from nonfederal funds for the overpayment of housing assistance.

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

- 1B. Direct the Authority to reimburse the appropriate tenants \$2,838 from program funds for the underpayment of housing assistance.

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

- 1C. Direct the Authority to provide adequate support for the housing assistance payments disbursed or reimburse the program \$5,860 from nonfederal funds for the unsupported costs cited in this report (see appendix C).

Your response was sent and approved by the OIG, thus this recommendation is formally closed.

Initial: _____

- 1D. Review a sample of the 4,710 delinquent annual reexaminations and determine whether they were completed accurately and the housing assistance payments were adjusted as necessary.

HACoLA Response:

HACoLA performed quality control reviews on approximately 9% of those reexaminations. They were completed accurately and the housing assistance payments were adjusted as necessary.

PIH Response:

HUD will conduct a sample review of the 4710 delinquent annual reexaminations to ensure the problems identified in the audit were properly addressed.

Requested Target Date: September 30, 2008

- 1E. Direct the Authority to perform the prior annual reexaminations to make them current on the 13 tenants missing annual reexaminations, ensuring that the correct annual reexamination due dates are used (see appendix C) in accordance with the Authority's policies and HUD requirements, and make revisions to the housing assistance payments when necessary.

HACoLA Response:

HACoLA has completed annual reexaminations for all thirteen files.

PIH Response:

Although recent annual reexaminations were performed on the 13 tenants identified above, PIH found that prior annual reexaminations had not been conducted. Please provide supporting documentation (50058's) for the missing reexams, whereby the tenants' annual recertification's were not conducted.

Requested Target Date: September 30, 2008

- 1F. Direct the Authority to correct the annual reexamination dates for the 18 tenants for whom the Authority improperly changed annual reexamination dates (see appendix C) so that they comply with Authority policies and HUD requirements and make revisions to the housing assistance payments when necessary.

HACoLA Response:

The reexaminations for the 18 tenants in question have been reviewed.

PIH Response:

Please provide supporting documentation that the reexaminations for the 18 tenants in question were performed in accordance with the tenant's annual reexamination due dates.

Requested Target Date: September 30, 2008

RECEIVED

Initial: _____

- 1G. Direct the Authority to only change the tenants' annual reexamination due dates in accordance with its monitoring and administrative policies and HUD regulations.

HACoLA Response:

HACoLA has developed a policy to allow for changes in the annual reexamination dates as necessary and in accordance with HUD requirements. The policy will be considered at the March 25, 2008, Board of Supervisors meeting. Upon approval, the policy will be effective on July 1, 2008.

PIH Response:

The annual reexamination dates should not be changed from the move in anniversary date unless there are special circumstances. Upon adoption of the revised policy, please submit a copy along with the Board Resolution to LAOPH.

Requested Target Date: September 30, 2008

- 1H. Require the Authority to add policies and procedures to its administrative plan and include examples to ensure that it is comprehensive enough for staff to use in performing their duties and update the plan throughout the year to incorporate changes or clarification in guidance.

HACoLA Response:

HACoLA is developing Standard Operating Procedures (SOPs) for all processes and functions. We have completed and incorporated step-by-step work flows into the new YARDI system, which we anticipate to go live on May 1, 2008. The work flows have also been incorporated into our training program and will be available for immediate download as operational memoranda on our intranet system effective July 1, 2008. HACoLA will continue to outline new policies and procedures in memorandum form, when necessary, and will place them on the intranet for access by all HACoLA employees.

PIH Response:

PIH recommends that the SOPs and the Administrative Plan reference one another, making the SOPs extensions of the Administrative Plan. PIH also recommends that HACoLA incorporate a methodology for updating the Administrative Plan and the SOPs, as necessary to ensure employees are provided the most current Section 8 requirements. Upon completion of the SOPs and the Administrative Plan, please submit a copy along with the examples to LAOPH.

Requested Target Date: September 30, 2008

- 1I. Require the Authority to implement a comprehensive training program for staff and management on its Housing Choice Voucher program, including HUD's

Public Housing Information Center system, to ensure that the information is accurate before submission.

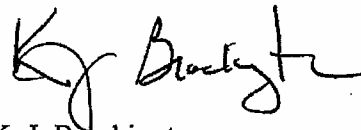
Your response was sent and approved by the OIG, thus this recommendation is formally closed.

For recommendations 1J, 1K, 1L, and 1M, further instructions will be forthcoming.

Please respond to the recommendations on or before September 30, 2008. Your response should detail what actions the Housing Authority of the County of Los Angeles will take to address the finding and each recommendation.

Should you have questions regarding the open recommendations, please contact Carolyn Cain, Supervisor, Recovery and Prevention Corps, at (216) 522-4300 Ext. 7938, since she is the Team Leader and your new HUD Servicing Representative.

Sincerely,

A handwritten signature in black ink, appearing to read "K. J. Brockington". The signature is stylized with a large "K" and a cursive "J".

K. J. Brockington
Director
Office of Public Housing

cc: Board of Commissioners

RECEIVED

Initial

To : Board Deputies

From: Bobbette Glover
Sent: Thursday, May 29, 2008 3:23 PM
Subject: Section 8 Confirmatory Review by HUD

As you know, we've been awaiting HUD's review of our 2006 Section 8 Management Assessment Program (SEMAP) scores. Their procedure calls for an on-site review to confirm that we have met the criteria to be designated as a "standard" performer.

We received notice last week that this review will be conducted by HUD's Recovery & Prevention Corp (RPC) out of Cleveland. The L A Office is severely understaffed, and they've not been able to do the confirmatory review as required. The RPC is a branch of HUD that can be called in to either assess/evaluate troubled housing authorities and HUD Programs or to conduct confirmatory reviews.

The SEMAP confirmatory review will begin the week of June 16th with RCP staff on site for three days.

The RCP staff will also review our accomplishments under the Corrective Action Plan. As you may recall, the only outstanding CAP items are:

- Implementation of the new Yardi software – We are pleased to report that during the month of June, staff will be trained on the new system in order to be ready for implementation scheduled for July 1st.
- Online Section 8 training – To date, all have completed the required training except one Supervisor and one Housing Commissioner.

We hope that the RCP's will be able to complete their review during the 3-day visit. If not, they will return in July. Within 60 days of the completion of their work, they will issue a final determination on our status.

If you have any questions, please give me a call.

Bobbette

Housing Authority - County of Los Angeles

July 17, 2008

To: Each Supervisor

From: William K. Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between June 14, 2008 and July 16, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- New HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Socialserve.com, Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections

Current data is not available due to technical problems with HUD's data reporting system, Public & Indian Information Center (PIC), which is used to obtain SEMAP performance status. However, previously available information indicates our lease-up rate is 97%, representing a total of 20,130 assisted families throughout the County; a 0% delinquency rate for our annual re-examinations; and a 2% delinquency rate for our inspections for fiscal year ending June 30, 2008. These percentages are based on activity recorded on the PIC system of completed work submitted by the Housing Authority and not the timely completion of this work. Future reports to you will include the status of timely completed work. We are in the process of reevaluating the report to ensure that it meets the needs of the Board and fulfills the intent of the initial Board order.

Each Supervisor
July 17, 2008
Page Two

Corrective Action Plan

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As had been previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations

As previously reported, we submitted our formal response to the HUD OIG audit on March 22. We received a response from local HUD Director, K.J. Brockington on June 16, 2008. Ms. Brockington did not address the \$3.6 million reimbursement, the future withholding of administrative payments, and personnel directives in her response. I will be submitting to the Board a comprehensive review of her letter in the immediate future. In the interim, I have asked Gregg Fortner, our Housing Authority consulting Assistant Executive Director, to meet with Milan Ozdinec, Deputy Assistant Secretary for Public Housing and Voucher Programs, on July 18 to initiate discussion on how to bring successful resolution to these issues.

HUD OIG Financial Audit

As previously reported, HUD has recommended an audit of our financial systems. This is a new audit to be conducted by OIG. An entrance conference was held with OIG personnel on July 10, 2008 to review the scope of work. The objective is to determine whether Section 8 funds were spent in accordance with HUD rules and regulations. The initial work, to be conducted over a 60-day period, will consist of surveying our financial records. If any discrepancies are noted, a recommendation may be made for a comprehensive audit.

HUD's On-Site Confirmatory Review for FY 2007

HUD's onsite confirmatory review of our SEMAP certification for fiscal year ending 06-07 took place the week of June 16, 2008. The review team will return the week of July 28, to complete the review. However, we anticipate receiving a preliminary report shortly on the work that has been reviewed thus far which will likely result in a reduction of SEMAP points for specific indicators, that will likely result in a Troubled status rating. However, it is important to note that we have completed fiscal year 07-08 and believe our SEMAP score has improved enough to achieve a Standard status rating. HUD has not yet scheduled the onsite confirmatory review for FY 07-08.

YARDI Status

Implementation was completed on July 1, 2008. An independent review of the conversion to the new system and related processes is taking place at this time. I will report the outcome on my next report to you.

Each Supervisor
July 17, 2008
Page Three

Socialserve.com, Los Angeles Housing Resource Center

For a 28-day period between June 13 and July 11, 2008, Socialserve.com averaged 5,343 total listings (an 8% increase), 3,610 participating landlords (a 7% Increase), and 127,798 housing searches (a 4% increase).

Call Center

Our Call Center is receiving an average of 5,044 calls per week (a 3% increase over last month), with an actual total of 20,175 for the period between June 13, 2008 and July 11, 2008. The increase in calls is primarily due to lease-up activity.

HUD-VASH Vouchers

We are working with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

To date, HACLA has hired 6 new staff responsible for the administration of the HUD-VASH vouchers and is waiting for the Veterans Administration to hire case managers to completely roll out the program. HACLA currently has 11 referrals from the Veterans Administration Hospital in the City of Los Angeles. Los Angeles County residents are eligible for the VASH voucher under the current portability rules.

Additionally, the following activities have taken place:

- 1) Lois Starr, Acting Director of Housing Development and Preservation (HD&P), met with the Veterans Affairs Director in July 2008;
- 2) HACoLA held a VASH vouchers strategy session on 7/10/08;
- 3) HACoLA staff has contacted both HACLA and the City of Long Beach Housing Authority to learn the status of their VASH voucher allocation; both agencies are operating their programs in the same manner;
- 4) HACoLA staff from the Assisted Housing Division (AHD) and the Special Needs Housing Unit (SNHU) attended HACLA's VASH stakeholder meeting on 7/15/08;
- 5) Lois Starr, Flora Gil Krisiloff, Homeless Deputy for the Third District, and I met with William Daniels, Director of the Brentwood Veterans Administration in May 2008;
- 6) HACoLA and the CDC will schedule a meeting with HACLA and the City of Long Beach Housing Authority in the near future to assure that veterans currently residing in L.A. County will have access to the vouchers and to establish protocols for communication between the agencies;

Each Supervisor
July 17, 2008
Page Four

- 7) A regional Housing Authorities meeting with local HUD Director K.J. Brockington, is tentatively scheduled for late July; the issue of additional agencies accessing VASH vouchers will be discussed at this meeting.

Please contact me should you have any questions or need additional information.

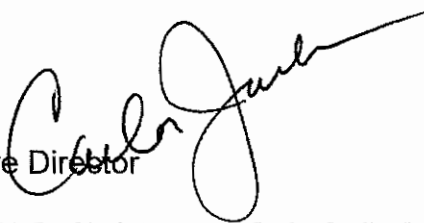
c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

March 19, 2007

TO: Each Supervisor

FROM: Carlos Jackson, Executive Director



SUBJECT: ADDENDUM TO THE MARCH 17, 2008 MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, Your Board instructed me to report monthly on our progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). This addendum reflects information received after the submittal date for our March progress report.

Corrective Action Plan (CAP)-

HUD has reported in a letter (attached) received on March 19, 2008, that all pending items for the Corrective Action Plan (CAP) have been satisfactorily closed, with the exception of:

- Completion of the Housing Choice Voucher (HCV) training by the Board of Commissioners;
- Complete conversion to the YARDI software system.

Confirmatory Review-

The letter also indicates a SEMAP score of 62 for FY 2006-2007. The score as stated is in percentage; therefore, our score was 90 out of a maximum of 145 points. This number is what we had previously reported to the Board.

We anticipate that the on-site confirmatory review of our SEMAP score for FY 2006-2007 will take place in the immediate future.

YARDI Software System Implementation-

As HACoLA nears the final stage of the transition to the new software system, which is anticipated to go live on May 1, program operations will be impacted due to training and testing schedules. All staff will be required to attend a one-week comprehensive training during a 5-week rotation beginning on March 31. HACoLA's application processing and inquiry response time will temporarily increase during this period.

Additionally, from April 24 through April 30, HACoLA staff will have limited "read only" access to participant records while data is being converted to the new YARDI system.

Please contact me should you have any questions or need additional information.

CJ:LO:

Attachment

C: William T. Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk of the Board of Supervisors
Each Deputy
Los Angeles County Housing Commissioners



U.S. Department of Housing and Urban Development
Office of the Public Housing Director
Los Angeles Field Office, Region IX
611 W. 6th Street, Suite 1040
Los Angeles, CA 90017

MAR 11 2008

Mr. Carlos Jackson
Executive Director
Housing Authority of the
County of Los Angeles
12131 Telegraph Road
Santa Fe Springs, CA 90670

Dear Mr. Jackson:

Please see attached the Housing Authority of the County of Los Angeles' Fiscal Year SEMAP Corrective Action Plan, which reflects all items closed. We appreciate your cooperation and diligence during this process.

While we agreed to close your CAP, there are two issues that require additional information to be submitted to my office. Thus, please continue to provide monthly updates for the Commissioners Development Training until all participants complete the assigned training. Also, provide monthly progress reports on the conversion to your new system, Yardi Voyager, until the transition is complete.

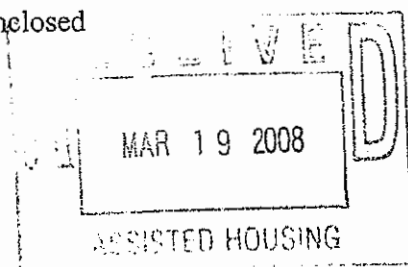
As you know, your agency's Fiscal Year 2007 SEMAP score is 62. Thus, in accordance with 24 CFR 985.101, to remove your agency from troubled status, we will conduct a SEMAP Confirmatory Review. Another letter will be issued providing you with the date of that review.

If you have any questions, please contact Theodore W. Skonos, Public Housing Revitalization Specialist, at (213) 534-2614.

Sincerely,

K. J. Brockington
Director
Office of Public Housing

Enclosed



Housing Authority - County of Los Angeles

August 18, 2008

TO: Each Supervisor

FROM: William Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007 your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under Section 8 Management Assessment Program (SEMAP). On June 17, 2008 your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between July 15, 2008 and August 12, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
- Inspections
- Corrective Action Plan
- The HUD OIG Audit Report
- HUD OIG Audit on Financial Systems
- The Confirmatory Review for FY 2006-2007
- YARDI System Update
- Los Angeles Housing Resource Center
- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections –

Our voucher allocation has increased to 20,876, an increase of 129 vouchers for HACoLA. As of July 31, 2008, our lease-up rate is 96.3%, representing a total of 20,106 assisted families throughout the County. We are maintaining a 2% delinquency rate for our inspections, and are at a 1% delinquency rate for our annual re-examinations.

HACoLA's data is pulled from HUD's data reporting system, the Public and Indian Housing Information Center (PIC), which is used to obtain SEMAP performance status.

Corrective Action Plan –

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations–

HUD staff will be at HACoLA the week of September 8, 2008 to conduct a confirmatory review of our responses to the initial audit. I will provide a status report when their formal response is submitted.

HUD OIG Financial Audit

The on-site audit is still in progress. I will report to your Board if and when any recommendations are made.

HUD's On-Site Confirmatory Review for FY 2007 –

The follow-up to the on-site confirmatory review for FY 2007 took place the week of July 28, 2008. The results of the review are pending and will be provided to your Board upon receipt.

As previously reported, we anticipate a reduction of SEMAP points for specific indicators, which may result in a Troubled status rating. However, we have completed FY 2008 and believe our SEMAP score has improved enough to achieve a Standard rating. The on-site confirmatory review for FY 2008 has not been scheduled.

YARDI Status-

The YARDI system has been in place since July 1, 2008; HAP payments have been released using the new system.

The independent review of YARDI is still in progress, but is expected to be completed by the end of September 2008.

Los Angeles Housing Resource Center (formerly Socialserve.com)-

For a 28-day period between July 17 and August 14, 2008, the Los Angeles Housing Resource Center averaged 5,614 total listings (a 5% increase over last month), 3,772 participating landlords (a 4% increase over last month), and 148,173 housing searches (a 15% increase over last month).

Call Center –

Our Call Center received an average of 4017 calls per week, with an actual total of 16,067 calls for the period between July 14, 2008 and August 11, 2008.

Although there was a slight decrease in the total number of calls versus July 2008, there was an increase in the average hold time. This was primarily due to an increased lease-up effort resulting in longer calls (i.e., constituents asking more in-depth questions).

HUD-VASH Vouchers –

We are continuing to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

The following activities update the previous report(s):

1. HD&P Special Needs Unit Staff spoke with HACLA staff about the possibility of collaborating with The County Department of Military Veterans Affairs (DMVA) as a way to increase the utilization of the VASH Vouchers in the County;
2. HD&P Special Needs Housing Unit staff has scheduled a meeting with HACLA and DMVA for Wednesday, September 3rd at 10 a.m. at the Community Development Commission;
3. HACLA will invite the VASH voucher representative from the Dept. of Veterans Affairs to the meeting to facilitate the following:
 - a. Introduction of the DMVA so that they can be a point of contact and referral source for this program;
 - b. Establishment of a method for HACLA to facilitate the referral process between the VA and HACLA.

Please contact me should you have any questions or need additional information.

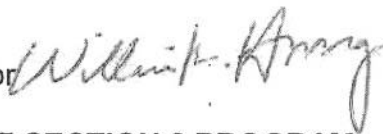
C: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

September 17, 2008

To: Each Supervisor

From: William K. Huang, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

On March 13, 2007, your Board instructed the Housing Authority to report monthly on the progress to remove the Section 8 program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). On June 17, 2008, your Board directed the Housing Authority to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers.

This report covers activities for the period between August 13, 2008 and September 12, 2008, and provides information on the following:

- Lease-up
- Annual Re-Examinations
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- YARDI System Update
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- Call Center
- HUD - VASH Vouchers

Lease-up, Annual Re-examinations and Inspections

As previously reported, our voucher allocation has increased to 20,876. As of August 31, 2008, our lease-up rate was 96.3%, representing a total of 20,106 assisted families throughout the County. We are maintaining a 2% delinquency rate for our inspections, and are at a 3% delinquency rate for our annual re-examinations. HACoLA's data is pulled from HUD's data reporting system, the Public and Indian Housing Information Center (PIC), which is used to obtain SEMAP performance status.

Corrective Action Plan

To date, one member of the Housing Advisory Board is pending completion of the training as required by the Corrective Action Plan (CAP). As I previously reported, HUD has closed all other items of the CAP.

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations

HUD staff was at HACoLA the week of September 8, 2008 to conduct a confirmatory review of our responses to the initial audit. They are continuing to review open items. I will share the final report upon receipt.

HUD OIG Financial Audit

The on-site audit is still in progress. I will report to your Board if and when any recommendations are made.

HUD's On-Site Confirmatory Review for FY 2007

The follow-up to the on-site confirmatory review for FY 2007 took place the week of July 28, 2008. The results of the review were received the week of September 5 (see attached letter).

As previously reported, there was a reduction of SEMAP points for specific indicators, which resulted in a Troubled status rating. However, we have completed FY 2008 and believe our SEMAP score has improved enough to achieve a Standard rating. HACoLA has already addressed the issues in question through the implementation of business improvement practices begun in CY 2007 and continuing through CY 2008. HUD indicated that the earliest the on-site confirmatory review for FY 2008 can take place would be November 2008, only if Federal travel funding is available.

YARDI Status

The YARDI system has been in place since July 1, 2008; HAP payments have been released using the new system.

The independent review of YARDI is still in progress, but is expected to be completed by the end of September 2008.

Los Angeles Housing Resource Center (formerly Socialserve.com)

For a 28-day period between August 15 and September 11, 2008, the Los Angeles Housing Resource Center averaged 5,864 total listings (a 4% increase over last month), 3,893 participating landlords (a 3% increase over last month), and 141,517 housing searches.

Call Center

Our update will continue next month, as we are in the process of conducting an analysis of call center data over the last few months.

HUD-VASH Vouchers

We are continuing to work with the City of Long Beach and the Housing Authority of the City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively.

The following activities update the previous report(s):

On September 8, 2008 the Special Needs Housing Unit (SNHU) at HACoLA met with representatives from the Veterans Affairs Medical Centers of West L.A. and Long Beach

Each Supervisor
September 17, 2008
Page Three

(VA), HACLA, and the County of Los Angeles Department of Military and Veterans Affairs (DMVA). The meeting focused on how to tap into the 840 HUD VASH vouchers HACLA received and how to prepare for the next round of VASH funding.

- a) The DMVA currently participates in HACoLA's Section 8 Homeless Set-Aside Program; they have an allocation of 50 vouchers that have been successfully leased.
- b) VA staff handed out client referral forms and provided information on how to proceed with VASH Program referrals.
- c) Larry Newnam, Project Manager with Housing Development and Preservation at HACoLA, attended the meeting to introduce the VA HUD VASH staff, HACLA and the DMVA to the LA County Housing Resource Center (LAHRC). DMVA staff already use the website; HACLA expressed interest in becoming a partner in the LACHRC, while this was a new resource for the VA Centers.

Please contact me should you have any questions or need additional information.

WKH:LO
Attachment

c: Lari Sheehan, Chief Deputy Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy



C. Mangione

U.S. Department of Housing and Urban Development
Cleveland Area Office
U.S. Bank Centre
1350 Euclid Avenue, Suite 900
Cleveland, Ohio 44115-1815

RECOVERY AND PREVENTION CORPS

September 5, 2008

Mr. ~~Gregg Fortner~~ *William Huang*
Acting Executive Director
Housing Authority of the County of Los Angeles
12131 Telegraph Rd
Santa Fe Springs, CA 90670

Dear Mr. Fortner:

The purpose of this letter is to transmit the final results of the on-site assessment and SEMAP Certification Review of the Section 8 Program administered by the Housing Authority of the County of Los Angeles (HACoLA). This review was conducted under the provisions of 24 CFR 985.107 as a result of the most recent Section 8 Management Assessment Program (SEMAP) Certification for FYE June 30, 2007, your agency received a score of 90 points out of a possible 145 points or 62 percent, and was designated a standard performer.

The on-site SEMAP Certification Review was conducted by a team from the U.S. Department of Housing and Urban Development's Office of Field Operations, Cleveland Office of Recovery and Prevention Corps (RPC) during the months of June and July, 2008.

The following report provides specific details on the results of the on-site review by functional areas of the HACoLA's Section 8 program administration. The following chart is a summary of the scoring results from the submitted certification and the modified score based on the on-site review.

The program management assessment portion of the SEMAP Certification Review report evaluates the PHA's performance in the areas of Governance, Administrative Plan and related policies, Organization and Staffing, Financial management and controls, Procurement, Inspection Procedures, Housing Stock, Lead Based Paint, and a Check on Closed OIG Audit Findings of Housing Quality Standards (HQS).

It should be noted that 70 out of a possible 145 points is equivalent to 48 percent, which results in a **Troubled designation**. PHAs with troubled performance ratings are required to submit a Corrective Action Plan (CAP) to correct deficiencies as defined in 24 CFR 985.107 that include strategies and goals for achieving improved management performance.

The corrective action plan must:

- (1) Specify goals to be achieved;
- (2) Identify obstacles to goal achievement and ways to eliminate or avoid them;
- (3) Identify resources that will be used or sought to achieve goals;
- (4) Identify a PHA staff person with lead responsibility for completing each goal;
- (5) Identify key tasks to reach each goal;
- (6) Specify time frames for achievement of each goal, including intermediate time frames to complete each key task; and
- (7) Provide for regular evaluation of progress toward improvement.
- (8) Be signed by the PHA Board of Commissioners Chairperson and by the PHA Executive Director.

We have enclosed a sample CAP format for your review and guidance in developing a CAP for your agency's SEMAP deficiencies (indicator rating of zero). The HACoLA will have 45 calendar days from the date of HUD notice to send a written report to HUD describing its correction of any identified SEMAP deficiency.

The courteous and professional manner that was extended to the Review Team by the HACoLA staff is greatly appreciated. If you have any questions regarding the information contained in the report or require clarification of any issues, please contact Ms. Carolyn Cain, Team Lead at (216) 522-4300, extension 7938.

Sincerely,

Patricia A. Knight
Director

Enclosure

Cc: Yvonne B. Burke, Chairperson, Board of Commissioners
K. J. Brockington, Director, Office of Public Housing, Los Angeles Field Office

**Scoring Report on the Confirmation of Section 8 Management
Assessment Program (SEMAP) Certification for the
Housing Authority of County of Los Angeles (HACoLA)
Fiscal Year Ending June 30, 2007**

Indicator	Max. Score	Original Certification	Unconfirmed Score	HUD Review Score
1. Selection from the Waiting List	15	15	15	15
2. Reasonable Rent	20	20	20	20
3. Determination of Adjusted Income	20	0	0	0
4. Utility Allowance Schedule	5	5	5	5
5. HQS Quality Control Inspections	5	5	5	5
6. HQS Enforcement	10	0	0	0
7. Expanding Housing Opportunities	5	5	5	0
8. Payment Standards	5	5	5	5
9. Annual Reexaminations *	10	10	10	0
10. Correct Tenant Rent Calculations *	5	5	5	5
11. Pre-Contract HQS Inspections *	5	5	5	0
12. Annual HQS Inspections *	10	10	10	10
13. Lease-Up	20	0	0	0
14. Family Self-Sufficiency *	10	5	5	5
15. Deconcentration Bonus **	N/A	N/A	N/A	N/A
Total	145	90	90	70
Percent		62	62	48

Note* - These indicators rely on the PIC/MTCS system.


Note** - The Deconcentration Bonus is worth a maximum of five points, but only if the PHA certifies to this indicator. If the PHA is not required to certify to this indicator, and elects not to do so, it does not lower the overall score.

Housing Authority - County of Los Angeles

March 17, 2009

To: Each Supervisor



From:  Cordé D. Carrillo, Acting Executive Director

**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM
PERIOD OF FEBRUARY 14, 2009 – MARCH 17, 2009**

On March 13, 2007 your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to report monthly on the progress to remove the Section 8 Program from its Troubled status under the Section 8 Management Assessment Program (SEMAP). SEMAP uses fourteen (14) indicators to measure the performance of the public housing agencies (PHAs) that administer the housing choice voucher program. HUD also requested that HACoLA inform the Board monthly on the FSS Program in reference to the Corrective Action Plan (CAP) for FY 06-07.

Furthermore, your Board also directed HACoLA to report on progress made in obtaining HUD VASH (Veterans Affairs Supportive Housing Program) vouchers on June 17, 2008.

HACoLA is reporting data on its most troubled SEMAP indicators in Fiscal Year 2005 - 06, as of February 28, 2009:

Indicator 9 - There are 1,469 delinquent annual reexaminations out of 18,782 reexaminations.

Indicator 12 - The delinquency rate reflects 725 annual inspections out of a total of 18,655 inspections.

Indicator 13 - The 97% lease-up rate reflects 20,256 leased out of 20,876 vouchers.

Three factors have contributed to the delinquency in reexaminations: 1) Conversion, staff training, and implementation of the Yardi Software System in June 2008 delayed reexaminations for two months; 2) The increased lease-up effort in the summer of 2007 resulted in a significant increase in reexaminations in the summer of 2008; 3) In October 2008, staff converted from a functional system to a case management approach to establish greater accountability, efficiency, and effectiveness over the long term.

The Division needs to complete 8,187 reexaminations during this Fiscal Year 2008-09 by June 30, 2009. Staff completed 1,797 during February; however, additional support is necessary to start processing 5,386 annual reexaminations effective in July, August, and September 2009. HACoLA is in the process of procuring a housing consultant on a limited basis to complete approximately 7000 reexaminations by July 2009. We will be requesting Board approval on March 31, 2009 to award a contract to McKay

Each Supervisor
March 17, 2009
Page Two

Management Services, LLC, effective on April 6, 2009, in the amount of \$751,840 to be funded by Section 8 Administrative Reserves. The Division is tracking weekly progress to prevent future delinquencies.

Indicator 14 – Family Self Sufficiency (FSS) helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Our mandatory HUD assigned slots (updated once annually) is for 782 families. As of February 28, 2009, the 55% enrollment rate reflects enrollment of 432 families, with 28% of the families (123) maintaining an escrow balance. HACoLA must maintain a 60% enrollment rate, of which 30% must have escrow balances. Staff is currently conducting direct outreach from new contracts to recruit program participants who have direct income to increase our FSS enrollment.

HACoLA's internal assigned slots are for 757 families; the difference is due to 25 families who have graduated from the program. Our internal reporting rate reflects a 61.8% enrollment rate (468 families), with 140 families (29.9%) having escrow balances. The discrepancy in enrollment rates and escrow balances is due to families porting out of LA County to Housing Authorities that do not administer an FSS program. HACoLA continues to manage their contracts, but they are not recognized under HUD's Public and Indian Housing Information Center (PIC) tracking system.

HUD OIG Audits

HUD OIG Audit on Tenant Eligibility and Annual Reexaminations – FYE 2005- 2006

In January 2008, recommendation 1M of the OIG 2008-LA-1007 Audit report stipulates that HACoLA repay \$3,662,972 from administrative fees for fiscal years 2005 and 2006 for not adequately administering the Program, due to delinquent annual reexaminations. In a letter dated October 23, 2008, HUD agreed to reduce the amount to \$1 million with a target date of November 30, 2008. HUD also suggested that HACoLA submit a request if it wanted, to negotiate a repayment agreement.

In a November 19, 2008 letter, HACoLA requested reconsideration of the \$1 million repayment due to the negative fiscal impact on program operations and the cooperation that HACoLA had demonstrated in resolving audit deficiencies. On December 8, 2008, HUD's response indicated that the reduction to the \$1 million considered the fiscal impact on HACoLA in light of the seriousness of the violations.

Each Supervisor
March 17, 2009
Page Three

On January 22, 2009, we met with HUD Los Angeles Area Officials to discuss this matter further. HUD officials reemphasized HACoLA's obligation to repay the \$1 million. On February 9, 2009, we sent a letter to HUD requesting to repay the \$1 million over a ten (10) year period. HUD approved the repayment agreement, but indicated that the maximum allowable term for repayment was three years. The first payment of \$83,333 would be due April 30, 2009, with subsequent payments of the same amount due every quarter thereafter, with a final payment due January 31, 2012.

On February 26, 2009, HACoLA pursued this matter further, requesting an extension of the repayment agreement from three to five years. HUD denied the request, as communicated to HACoLA in a letter dated March 10, 2009, stating that HACoLA had sufficient funds to repay without impacting the Program. As such, we will be requesting your approval of the three-year repayment agreement and an enabling resolution at your April 7, 2009 Board meeting, with the first payment due effective April 30, 2009 through January 31, 2012. Execution of the repayment agreement and resolution will bring the Section 8 Program one-step closer to removal from "Troubled" status.

HUD On-Site Review of Quarterly Reexaminations for Fiscal Years 2005 and 2006

During the week of February 16, 2009, HUD staff was on site conducting a review of re-examinations completed for Fiscal Years 2005 and 2006, with the goal of closing recommendation 1D that required HACoLA to complete 4,700 delinquent re-exams. HUD indicated during the exit interview that the reexaminations had been satisfactorily completed, however their official response is still pending.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial audit of Fiscal Years 2005 and 2006 began the week of January 5, 2009. The exit conference was conducted on January 28, 2009. The OIG audit included a complete financial assessment of our agency. One finding was identified regarding how administrative costs are allocated to the CDC Divisions. The current methodology was developed by KPMG LLP (a national provider of audit, tax, and advisory services) and subsequently modified to meet HACoLA's needs. OIG's preliminary report recommends that the Section 8 Program be reimbursed approximately \$3 million from non-restricted funds for funds allegedly not reasonably and equitably allocated in Fiscal Years 2005 and 2006. On March 16, 2009, HUD OIG informed HACoLA that a draft audit report would be forthcoming within two weeks and an exit conference would be scheduled. Staff is reviewing options and the current allocation methodology with KPMG to prepare a response. It should be noted that if \$3 million is ultimately determined to be reimbursable to the Section 8 Program, the source of the repayment will be CDC general funds.

Each Supervisor

March 17, 2009

Page Four

Corrective Action Plan (CAP) for FYE 2006 –

In response to the HUD OIG Audit for FY 05-06, all CAP items for FYE 2006 have been closed, with the exception that one member of the Housing Commission Advisory Board's complete the Housing Choice Voucher Program training. The Housing Commissioner was expected to complete the training on-line by February 28, 2009; however, he has indicated that he will complete the training in a week.

Corrective Action Plan (CAP) for FYE 2007 –

HUD's on-site confirmatory review resulted in a reduction of points for specific SEMAP indicators and a Troubled rating for Fiscal Year ending June 30, 2007. HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. The third monthly progress report of the CAP was sent on March 13, 2009 indicating that 18 strategies have been addressed. We expect to close all items in the CAP by June 2009.

Confirmatory Review Results for FYE 2008 -

On February 10, 2009, I informed your Board that HUD and the Office of Recovery and Prevention had completed an on-site confirmatory review for FYE 2008 from January 26 through January 29, 2009. HACoLA received a SEMAP score of 113 out of 145 possible points, earning a "Standard Performer" rating. HUD was expected to provide our score in writing within 30 days of January 29, 2009; it is still pending. This was a major milestone in transitioning the Section 8 Program out of troubled status. Upon execution of the \$1 million repayment agreement, completion of the implementation of the CAP for FY 2006-07, and HUD approval of the Agency Plan, the Section 8 Program will be removed from HUD's troubled status list.

HACoLA Call Center –

We averaged 2,206 calls per week, and 8,825 total calls for the period of February 13 through March 13, 2009. The average wait time was 2 minutes, 4 seconds.

Los Angeles Housing Resource Center (socialserve.com) on our Website

For a 28-day period between February 11 and March 11, 2009, the Los Angeles Housing Resource Center averaged 8168 total listings; there were 5,144 landlords that have provided their property listings, and 129,430 housing searches conducted.

Each Supervisor
March 17, 2009
Page Five

HUD-VASH Vouchers –

We continue to work with the Housing Authorities of the City of Long Beach and City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively. As of March 5, 2009, the Los Angeles County Department of Military and Veterans Affairs (DMVA) referred 10 clients to the Veterans Administration (VA) for VASH assistance. Of the 10, only 2 were eligible for the program.

Please contact me if you have any questions or need additional information.

CC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

April 21, 2009

To: Each Supervisor

From: Cordé D. Carrillo, Acting Executive Director



**SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM
PERIOD OF MARCH 18, 2009 – APRIL 17, 2009**

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

Troubled Status

As a result of HACoLA's achievement of a "Standard" performer rating for Fiscal Year 2007-2008 and your Board's approval of the \$1 million repayment agreement with HUD, one item remains outstanding to remove the Section 8 Program from its troubled status. HACoLA has submitted the remaining strategies in the CAP for FYE 2007 and is awaiting HUD approval to close out this matter.

Reexaminations

HACoLA is reporting data on reexaminations, its most troubled SEMAP indicator, identified in Fiscal Year 2005 – 06 from two systems: 1) HUD's data reporting system, known as the Public and Indian Housing Information Center (PIC) which monitors delinquencies based on a 14-month cycle; and, 2) HACoLA's internal Yardi software system which monitors delinquencies based on a 12-month cycle.

As of March 31, 2009, PIC reflects 1,358 delinquent reexaminations out of 18,589 contracts in the system (7%). Yardi reflects 2,383 delinquent reexaminations out of 13,884 reexaminations (17%). In addition to a 14-month versus a 12-month comparison, the PIC system reflects the total number vouchers under contract, whereas, Yardi reflects the number of reexaminations due at this point in time.

Each Supervisor
April 21, 2009
Page Two

As of April 9, 2009, Yardi indicates that the Division needs to complete 6,603 reexaminations out of 19,315 by June 30, 2009 for April, May and June 2009. The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

As instructed by your Board on April 7, 2009, HACoLA will initially provide a monthly status report to eliminate the annual reexamination backlog under separate cover to allow us to develop a comprehensive reporting format. This report will provide the number of reexaminations completed by HACoLA staff and McKay Management Services separately to evaluate individual accomplishments. This report will then be incorporated into the May monthly progress report.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD had reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment will be issued by April 30, 2009. This Board action was necessary to remove the Section 8 program from "Troubled" status.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, of Fiscal Years 2005 and 2006. An exit conference was conducted on January 28, 2009. The OIG audit included a complete financial assessment of our agency. One finding was identified regarding cost allocations to the CDC Divisions. The current methodology was developed by KPMG LLP (a national provider of audit, tax, and advisory services) and subsequently modified to meet the agency's needs. OIG recommended that the Section 8 Program be reimbursed approximately \$3 million from non-restricted funds for allegedly not reasonably and equitably allocating funds in Fiscal Years 2005 and 2006. On March 24, 2009, OIG issued a draft audit report and held an exit conference on April 1, 2009. HACoLA submitted a response to the draft report on April 8, 2009. An OIG final report is pending.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed, with the exception that one member of the Housing Commission Advisory Board has yet to complete the Housing Choice Voucher Program training. The Housing Commissioner was expected to complete the training on-line but his completion is still pending.

Each Supervisor
April 21, 2009
Page Three

Corrective Action Plan (CAP) for FYE 2007

HUD's on-site confirmatory review resulted in a reduction of points for specific SEMAP indicators and a troubled rating for Fiscal Year ending June 30, 2007. HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HUD approval of the remaining strategies will remove the Section 8 program from its "Troubled" status rating for FYE 2007.

Confirmatory Review Results for FYE 2008

HACoLA received a SEMAP score of 113 out of 145 possible points, earning a "Standard Performer" rating. HUD confirmed our score in a letter dated March 26, 2009. This was a major milestone in transitioning the Section 8 Program out of troubled status for FYE 2008.

FSS Program Status

The 2006-2007 Corrective Action Plan executed between your Board and HUD, instructed HACoLA to submit a monthly performance report on the FSS Program. The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency.

Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 754 families because 28 out of 782 of the original number have graduated from the program. We are not required to replace the 28 families. Our internal reporting rate reflects 462 families enrolled out of 754 (61.3% rate), with 153 families (33.1%) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH and other Section 8 Program Activities

HACoLA works with the Housing Authorities of the City of Long Beach and City of Los Angeles (HACLA), who received 70 and 840 vouchers, respectively. On April 14, 2009, a motion was introduced by Los Angeles County Supervisors Yaroslavsky and Antonovich requesting that a letter signed by all five Supervisors be sent to HUD requesting a direct allocation of VASH vouchers to HACoLA due to the increasing need for permanent housing for Veterans.

Each Supervisor
April 21, 2009
Page Four

The call center averaged 3,048 calls per week and 12,190 total calls for the period of March 10 through April 13, 2009. The average wait time was 1 minute, 46 seconds.

For a 28-day period between March 15 and April 12, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 8,578 total listings; there were 5,346 landlords who provided property listings, and 129,812 housing searches were conducted.

Please contact me if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Housing Authority - County of Los Angeles

May 15, 2009

To: Each Supervisor

From: Corde D. Carrillo, Acting Executive Director



SUBJECT: MONTHLY PROGRESS REPORT ON THE SECTION 8 PROGRAM

Board Directives

On March 13, 2007, your Board instructed the Housing Authority of the County of Los Angeles (HACoLA) to submit monthly progress reports to remove the Section 8 Housing Choice Voucher Program from its troubled status under the Section 8 Management Assessment Program (SEMAP). In addition, HUD requested monthly reports to the Board on the Family Self Sufficiency (FSS) Program in reference to our Corrective Action Plan (CAP) for FY 2006-07. On June 17, 2008, your Board requested progress reports in obtaining Veteran Affairs Supportive Housing (VASH) Program vouchers. Most recently, on April 7, 2009, your Board instructed HACoLA to submit monthly reports on the status of delinquent reexaminations.

Corrective Action Plan (CAP) for FYE 2007

HACoLA and HUD finalized a CAP that was approved by your Board on December 16, 2008 with thirty-four (34) PHA strategies. Four monthly submissions addressing all 34 strategies have been sent to HUD. HUD has confirmed that at least 17 of the 34 strategies have been closed. HACoLA is awaiting approval of the remaining strategies to remove the Section 8 program from its "Troubled" status rating.

Reexaminations

As of May 12, 2009, the HACoLA internal tracking system (Yardi) reflects 3,640 delinquent reexaminations out of 15,464 reexaminations, based on reexaminations that were due within 12 months from that point in time. The 3,640 delinquencies consist of 2,246 reexaminations to be completed by HACoLA and 1,394 to be completed by McKay Management Services.

The number of pending reexaminations to be completed is an estimate due to participants being terminated from the program, vouchers porting in and out to other housing authorities, participants in the process of moving from one unit to another, and completed reexaminations during each reporting period.

We would like to point out that there is a variance between the May 6, 2009 report sent to your Board last week and the attached May 12th Report. This is due to 54

recertifications which were credited to McKay Management Services (McKay), but actually completed by HACoLA in April 2009. McKay's contract became effective on April 7, 2009.

From April 1, through May 12, 2009, HACoLA staff completed 2391 annual reexaminations. McKay Management completed 348 annual reexaminations during its first month. HACoLA trained McKay staff on HACoLA computer systems, including Yardi, Laserfiche, Rentellect, LEADER, etc. McKay Management Services hired staff, set up a toll-free number to assist HACoLA clients 24 hours a day, mailed out 3,287 annual reexamination packets to clients for June and July 2009, and contacted families who failed to return their reexamination packets, and researched packets that were returned undeliverable.

As of April 30, 2009, the HUD Public Housing Information Center (PIC) reflects 1,239 delinquent reexaminations out of 18,467 active contracts in the system based on a 14 month cycle. The 18,467 reflects all active contracts in the system, regardless of whether a reexamination is due or not.

OIG Audit on Tenant Eligibility and Annual Reexaminations FY 2005 and 2006

HUD reported that all recommendations related to this audit finding have been satisfactorily closed except for recommendation 1M, the repayment of \$1 million. On April 7, 2009, your Board approved the \$1 million three-year repayment agreement and an enabling resolution. The first payment for \$83,333.33 was issued by April 30, 2009.

HUD OIG Financial Audit for Fiscal Years 2005 and 2006

An OIG financial review began in July 2008, and an audit began in January 2009, for Fiscal Years 2005 and 2006. The OIG final report was issued on 4/24/09. The report recommended that the Director of HUD's Los Angeles Office of Public Housing (PIH) require HACoLA to repay the Section 8 program \$2.9 million from nonfederal funds of the \$5 million in over allocations charged to restricted funds.

The HUD field office responded to the final OIG audit report in a letter dated April 29, 2009 recommending that HACoLA repay the Section 8 Program \$2,953,443 from nonfederal funds for over-allocations that were charged to the program. HACoLA's response is due May 29, 2009.

HACoLA will request Board approval to repay the Section 8 Program this amount.

Corrective Action Plan (CAP) for FYE 2006

All CAP items for FYE 2006 have been closed. A member of the Housing Commission Advisory Board who had not completed the Housing Choice Voucher Program training resigned. No further action is required.

Family Self-Sufficiency (FSS) Program Status

The FSS program helps participating voucher families obtain employment that will lead to economic independence and self-sufficiency. Per HACoLA's internal Yardi system, assigned slots for the FSS Program are for 753 families because 29 of the original 782

families have graduated from the program. We are not required to replace the 29 families. Our internal reporting rate reflects 464 families enrolled out of 753 (61.6% rate), with 152 families (32.8% %) having escrow balances. Escrow accounts are established for families when they earn additional income as a savings to assist them in becoming self-sufficient. Additional earned income is not factored in when calculating their rent contribution. HACoLA is maintaining over a 60% enrollment rate and 30% escrow balances to achieve 8 out of 10 points on this SEMAP indicator. Outreach is being conducted to recruit new Section 8 program participants.

VASH

Since the last reporting period, the Los Angeles County Department of Military and Veterans Affairs (DMVA) has referred ten clients to the VASH Program in the City of Los Angeles and the City of Long Beach; two were accepted. HACoLA has provided DMVA with 25 Section 8 Homeless Set-Aside Program vouchers from HACoLA, in addition to the previous 50.

Section 8 Call Center

The call center averaged 2,175 calls per week and 8,700 total calls for the period of April 14 through May 12, 2009. The average wait time was 2 minute, 5 seconds.

For a 28-day period between April 13 and May 11, 2009, the Los Angeles Housing Resource Center (Socialserve.com) averaged 9,033 total listings; there were 5,562 landlords who provided property listings, and 135,545 housing searches were conducted.

Please contact me at (323) 890-7400 if you have any questions or need additional information.

CDC:MB:ML:dt

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy

Attachment



	Calendar Month	Prior to April	Apr-09	May-09	Jun-09	Jul-09
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McKay Management									
Anniversary Month	Total Due	Pending		Completed					Totals
June	1,731	1,394	80.53%	N/A	109	228			337
July	1,527	1,516	99.28%	N/A	10	1			11
August	2,160	2,160	100.00%	N/A					
September									
Total	5,418	5,070	93.58%	N/A	119	229	0	0	348

Anniversary Month	Total Due	Pending	Completed	Totals
Jan				
Feb				
Mar				
Apr				
May				
Jun				
Jul				
Aug				
Sep				
Oct				
Nov				
Dec				
TOTAL				

September-08	1,464	94	6.42%	1,327	34	9			1,370
October-08	1,538	124	8.06%	1,336	47	31			1,414
November-08	1,489	153	10.28%	1,260	55	21			1,336
December-08	1,465	128	8.74%	1,304	24	9			1,337
January	1,346	164	12.18%	1,091	58	33			1,182
February	1,403	236	16.82%	1,031	103	33			1,167
March	1,307	223	17.06%	835	202	47			1,084
April	1,581	328	20.75%	709	421	123			1,253
May	2,140	796	37.20%	203	841	300			1,344
Total	13,733	2,246	16.35%	9,096	1,785	606	0	0	11,487

Total Since April	2,391
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September 2009	Recertification packets have not been mailed to participants. Packets are scheduled to be mailed May 15, 2009
Anniversary Month	The month in which the recertification is due or 12 months from the previous recertification.
Total Due	The number or goal to be met for each month as of the date of this report; numbers may change due to terminations and participants moving from one unit to another, voiding the need for the recertification.
Pending	The number of recertifications in process (pending receipt or review of documents) as of the date of this report.
Completed	The number of recertifications that have been completed as of the date of this report.
Total Since April	The number of recertifications completed by HACoLA staff since the effective date of the McKay contract.

Housing Authority - County of Los Angeles

July 21, 2009

To: Each Supervisor

From: Sean Rogan
Executive Director



**SUBJECT: HOUSING CHOICE VOUCHER (SECTION 8) PROGRAM
REMOVED FROM TROUBLED STATUS**

Please be informed that in a July 20, 2009 letter from the U.S. Department of Housing and Urban Development (HUD), I was notified that the Housing Authority's Housing Choice Voucher (Section 8) Program has been removed from Troubled Status.

All strategies identified in the Corrective Action Plan dated December 2008 have now been implemented and no further progress reports are required by HUD.

SR:dt

c: William T Fujioka, Chief Executive Officer
Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy